

Nation's Business

A USEFUL LOOK AHEAD

APRIL 1966

A RUNAWAY BOOM ?

What business leaders think now

PAGE 40

Marine Commandant tells

Why we will win in Viet Nam

PAGE 37

Nixon writes on guideposts

Pa and Ma and LBJ

Here's a lifesaving plan
for your business

Do NOT remove from office

ROUGH COPY



Florist's shop floor: Kentile's new, textured, solid vinyl tile—Colonial Brick. Individual tiles, 9" x 9", permit quick, easy installation. Wall base: white KenCove® Vinyl. Your Kentile® Dealer? See the Yellow Pages under "Floors"—or your architect, builder, or interior designer.

Looks just like brick—but it's solid vinyl tile!

KENTILE
VINYL FLOORS

Kentile Colonial Brick has all of brick's bold beauty. But it's far quieter. More comfortable underfoot. Easier to maintain. Greaseproof. Takes heaviest traffic in stride—anywhere indoors.

Saxe Brothers says Muzak's scientific programming increases efficiency.

Saxe Brothers is one of those smaller companies that make up 95% of America's industrial genius. In their Albany, New York plant, Saxe Brothers employs fewer than 100 people working around the clock. They produce a variety of molded plastic products. Saxe Brothers' President Chaylie Saxe realizes that in smaller businesses employee attitudes strongly affect performance. That's why he spends so much time checking employee morale.

When we called on Mr. Saxe, we told him that music by Muzak is scientifically planned for work situations. That it is designed to offset the bore-

dom and fatigue of routine jobs. We showed him how some companies use Muzak profitably to increase efficiency and reduce errors. And how others find it helps cut lateness, absenteeism and turnover.

Mr. Saxe told us his biggest problem was noise, and took us through his plant. We said Muzak could mask the noise and eliminate the tension it creates without outshouting it. We showed him where Muzak was working in noise areas as high as 100 decibels.

He didn't take our word for it. He insisted on a trial installation. When

he checked results, the night shift manager told him the workers themselves would pay for the music if he decided not to install it. The result: we installed a complete Muzak system in the Albany plant.

Mr. Saxe says, "We've had Muzak for 10 years now and it solved our noise problem. Efficiency is up, and so is employee performance. We also do a lot of paging through our system. It's difficult to come up with an exact percentage of increased efficiency but we are certain Muzak is a cost-reducing adjunct of our work."

music by **Muzak** 

Don't take their word for it.

And don't take our word for it. Prove it to yourself with a trial installation.

- ☐ I'd like to talk about it with a Muzak franchiser.
☐ I'm still skeptical, send me more proof.

Name _____

Title _____

Company _____

Address _____

NB-2

Nation's Business

April 1966 Vol. 54 No. 4

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

7 WASHINGTON: A LOOK AHEAD

Wage pressure will give new push to costs; a look at next year's tax return; governors promise big '66 election news

14 EXECUTIVE TRENDS: Most-wanted skill

More employers today are underscoring decision-making as the required skill; a placement specialist tells you why

23 WASHINGTON MOOD: LBJ's plan to outpolitic Reds

The Administration's policy hopefully will evoke more than a mere show of willingness from those getting foreign aid

27 STATE OF THE NATION: Side effects of Viet Nam

The conflict is obscuring news of potentially more important events that are occurring in the world's three big cold wars

31 RIGHT OR WRONG: Fix the nut behind the wheel

Foggy thinking, in the search to do something about highway slaughter, comes up with a grand "solution": blame the car

37 Why we will win in Viet Nam

The Commandant of the Marine Corps answers the question of whether American patriotism equals that of the lofty past

40 A runaway boom?

Nation's Business survey finds top executives optimistic; but their concern over the danger of inflation is growing

44 What more inflation would do to you

Here is how you and your business will feel it if the U. S. gets the 1966 inflation many experts warn may be coming

46 Let's give business a square deal

Former Vice President Nixon proposes an alternative to the Johnson Administration's wage-price guidelines policy

48 Pa and Ma and LBJ

A riotous tale of how these West Virginia hillbillies joined in the fight for the poor and became poverty warmongers

50 BUSINESS: A LOOK AHEAD

Shortages spur search for substitutes; \$3.5 billion gap threatens in home mortgages; poor offer market potential

52 How labor board gags your freedom of speech

NLRB, in defiance of law, is taking away right of U. S. businessman to discuss union issues with his employees

70 If Thomas Jefferson came back today

A long-time battler against tyranny by government gives an absorbing account of Jeffersonian views of our current ills

78 LESSONS OF LEADERSHIP: Spotting seed of success

A trailblazer of commercial finance shares his experiences acquired in a lifetime of picking companies that will grow

94 Here's a lifesaving plan for your business

Soaring sickness and disability costs call for programs of preventive maintenance for your chief resource—people

108 A mayor tells: What America's cities need

No businessman today should stand for the archaic thinking that's used in financing and organizing most municipalities

118 PATTERN FOR SUCCESS: Your company's future

Part eight on Harvard's Advanced Management Program examines the major responsibilities of corporate presidents

132 What taxes won't buy

Uncle Sam will collect more taxes in 1966 than ever before for an array of goods, almost as if taxes can buy anything

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions \$19.75 for three years; other countries \$10 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. © 1966 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved. Nation's Business is available by subscription only. Postmaster: please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—38 South Dearborn Street, Chicago, Ill. 60603



Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Paul Hencke
Theodore D. Drury
Jeffrey S. O'Neill
John R. Gibson
Walter Wingo
John Costello
Robert W. Ireland

Contributing Columnists
Felix Morley
Peter Lisagor
Alden H. Sypher

Art Director
Ralph Patterson

Associates
Harold Baskin
Norman W. Favin
Joseph W. Swanson

Adm. Assistant
Mary W. Davis

Business Manager
William W. Owens

Advertising Director
Herman C. Sturm

Circulation Manager
John C. Loest

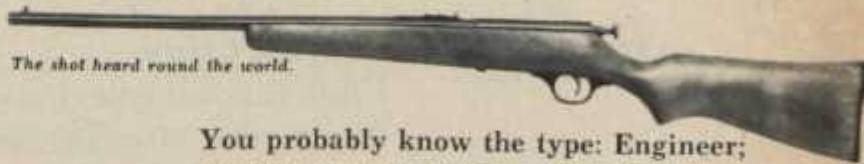
Production Manager
W. Lee Hammer

N38
V. 54
1966



Why did we suddenly begin the world's most reliable trucks?

The shot heard round the world.



You probably know the type: Engineer; restless, curious, always tinkering. Always testing, too.

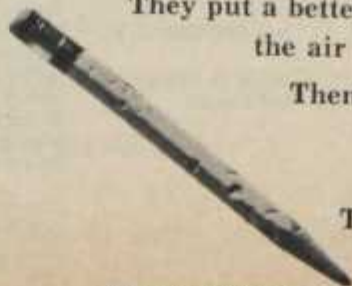
We have them at White.

Through the years they've been improving a little thing here and there on our popular old 4000/9000 series. (You know, just like they do on those little foreign cars.)

They put a better-sealing rain cap on the air cleaner.

Then they made the radiator, the heater and the defroster bigger.

Then they made the frame stronger, the ride smoother.



Things got pretty hectic.

testing



Then they developed an entirely new rustproofing system.

You guessed it.

By this time we had a brand-new old 4000/9000 series.

So we decided we'd better treat it as a brand-new series and test it that way.

But that kind of got out of hand too.

We ended up *triple testing* everything.

Our metallurgists tested every material. Our engineers tested every component, assembly and subassembly. Then, out to a Texas test track.

There we put the new trucks through all the usual torture tests—like ramming them all over the landscape in 125° heat. When we ran out of standard tests, we began dreaming them up.

For example, tying a loaded .22 to the front bumper, hooking a line from the trigger to the brake pedal, and measuring the distance from the bullet hole in the test track to where the truck stopped dead. (Experiment #103.)



We found a few—and killed 'em.

No trucks in White history have ever been tested so thoroughly.

So. This is advance notice.

If you, like so many others, thought the *old* 4000/9000 series were the world's most reliable trucks, wait'll you see the *new* 4000/9000 series.

Now the best is even better.

WHITE TRUCKS

DIVISION OF WHITE MOTOR CORPORATION

**The Transport-110
is a high-speed,
high-mileage tire.
It ought to be. Its
cousins won last year's
Indianapolis 500.**

Our Indianapolis racing tires and our new Transport-110 truck tires have more in common than the name Firestone.

They both use Dura-Weld construction and long-mileage Sup-R-Tuf rubber. In fact, we developed Dura-Weld especially for racing tires because it binds the cord body to tread into an inseparable unit. And the faster your trucks travel, the more your tires need it.

But the Transport-110 has a few things our racing tires don't have. A Shock-Fortified cord body with up to 1/5th more impact resistance. Plus HR-110 heat-resistant rubber—to help prevent breakdown on sustained high-speed, high-load, long-distance hauls. Result: more original mileage and more strength for extra retreads.

We've even added highly visible branding blocks to both sidewalls. And dual curb guards along with reinforced shoulder design.

You can get the Transport-110 at your nearby Firestone Dealer or Store. Or specify them on your new trucks. And remember, quality and safety are first at Firestone.

MEMBER  TRUCKING INDUSTRY Sup-R-Tuf®, Transport-110—Firestone TM



Firestone
TRANSPORT-110

WASHINGTON: A LOOK AHEAD

Tax time next year you'll probably look back wistfully to this year's return. Your federal tax payments almost certainly will be higher in 1967.

Growing prosperity is part of the reason. Wages, profits and incomes are all going up this year, meaning bigger tax bills next year. No question about that. Businessmen—fellow readers of NATION'S BUSINESS—give you the outlook on page 40.

More important, there's now growing belief in Washington that LBJ will ask for a personal and corporate income tax increase later this year—assuming the Viet Nam War continues. Nothing you can put your finger on. President Johnson alone will decide, and he isn't talking.

How Lyndon feels his political oats probably will make the difference. Politicians on Capitol Hill continue to doubt a tax increase before elections. But Administration aides play up May or June as the time for decision.

Treasury Department technicians are well into standby studies of tax hikes. Administration can move fast, if LBJ wants.

When it comes, the rate increase will be an equal across-the-board raise, unless signals switch. Both personal and corporate. Few want to get into intricacies of new tax theory, social engineering, so-called loophole closing now. Big fight may come over repeal of seven per cent investment credit, which Treasury Secretary Fowler wants to keep.

It adds up to this: Better savor this year's tax bill while it lasts.

Thin-skinned budget officials blow chances to make Johnson's Viet Nam spending forecasts seem plausible. A ranking Budget Bureaucrat at a large meeting of corporate executives the other day attempted to put down by ridicule one of the country's most influential bankers who suggested Administration figures

might not be infallible.

Result: Widening of the credibility gap among men LBJ woos for support.

Good news for businessmen?

Don't lean too heavily on this one. But experienced observers of the Federal Trade Commission think it is turning less militantly legalistic against business. The agency seems less ready to file formal charges, more interested in quiet cooperation. Recent actions point that way.

Wages begin faster climb as inflation heats up. Government adds fuel.

You can expect new demands for wage increases tied to the climbing cost of living. Labor experts in Washington forecast renewed interest by union leaders in wage escalation provisions keyed to government's Consumer Price Index. Trade associations, consultants report new spate of queries about escalation clauses from businessmen apparently anticipating labor demands.

"Any negotiator worth his pay has his eye on the cost of living," points out one Labor Department specialist.

Inflation will trigger escalators more frequently in 1966. This winter's jump of two cents an hour for two million auto, farm equipment, other workers because of higher living costs is just a starter.

Apparel industry's contracts face earlier, more frequent reopenings. Watch coming demands of Amalgamated Clothing Workers this summer on men's shirts industry for the trend.

Nonunion employees will profit more from business' boom. A soon-to-be-released official survey indicates these workers are getting more and bigger pay increases in first half of '66. Nonunion and smaller firms ordinarily change pay rates less frequently but in more generous

WASHINGTON: A LOOK AHEAD

bites than do unionized shops. Government increase in federal minimum wage will push labor costs even higher, many businessmen worry. Department stores figure proposed increase will raise their payroll costs about nine per cent. Administration's plan for 3.2 per cent election year pay raise for federal employees on top of wage hike last year adds to wage-spiral psychology.

Impact: None of this is likely to ease appetite of construction workers for much-criticized huge wage demands. It forecasts what may be ahead in pattern-setting auto industry labor bargaining next year.



Big election news of 1966—and 1968—may come in the governors' mansions in November.

Republicans in Washington talk confidently of enlarging their little band of governors—they now hold 17, Democrats 33. Some G. O. P. enthusiasts forecast a gain of eight.

Democrats concede, "The pressure's on us." They talk of picking up one or two at best. Thirty-five states elect governors this year.

Numbers tell only part of the story. You have to look at who runs what state. The big states with lots of voters pack biggest weight in Presidential elections; governor's party in

these states has a built-in advantage in expanding its political organization, getting out the vote for its national candidate in 1968.

And other advantages, too. Democrats already lay plans for taking over jobs in federally financed poverty war agencies staffed by governor's patronage in such states as Oklahoma where they rate their chances as high. Oklahoma's Republican Governor Bellmon can't succeed self under constitution.

California's the glamor race. Here's why. If Republicans defeat Gov. Edmund G. Brown and hold present governors' mansions, they'll hold five of seven largest states. These five—New York, California, Pennsylvania, Ohio and Michigan—total nearly two thirds the electoral votes needed to elect a President, have nearly one third U. S. population. Both parties think they'll win California.

Pre-primary form sheet—gubernatorial primaries start early next month in nine states—rates G. O. P.'s Rhodes in Ohio, Romney in Michigan safely ahead for re-election, politicians in both parties agree. In other Big Seven states, New York's Rockefeller, Scranton's political heir in Pennsylvania seem to hold edge for G. O. P. Democrat Connally looks safe in Texas, say the seers. Illinois' Democratic Governor Kerner isn't up this year.

In other states, both parties rate their chances high in Alabama, Arizona, Minnesota, Nebraska, New Mexico, Vermont—where Democrats now govern. Democratic troubles in Minnesota put heat on Vice President Humphrey.

Analysts on both sides say odds favor Democrats in Arkansas, where Winthrop Rockefeller will again face Gov. Faubus, Alaska, Connecticut, Florida, Georgia, Iowa, Maryland, Nevada, New Hampshire, South Carolina and Tennessee.

Republicans are rated on top in Colorado, Idaho, Kansas, Maine, Oregon, Rhode Island, South Dakota, Wisconsin, Wyoming and Massachusetts, despite the Kennedy clan's influence.

**Until now, Kathy never looked
this pretty under mercury light.**



**The new G-E De Luxe White
Mercury Lamp brings out
the best in everyone.**

For the first time, people can look natural under mercury light. Skin tones are warm and lifelike under this new General Electric De Luxe White Mercury Lamp. Because its color rendition is better than most fluorescents in use today, you can consider it for future offices, stores, factories, and other commercial applications — indoors and out — where mercury just wouldn't do before.

Call your G-E Lamp Agent or write the General Electric Co.,
Large Lamp Dept., C-608, Nela
Park, Cleveland, Ohio 44112.

GENERAL  ELECTRIC





If your secretary tells you she's overworked,



give her a belt.

A Dictabelt.

And a Time-Master dictating machine.

Your girl won't have to stay after 5:00 to take shorthand. You dictate your letters and reports to the Time-Master when it's convenient for you. Then give the Dictabelt to your girl and she can do the typing when it's convenient for her.

The Dictabelt has "sound you can see." Tiny grooves show up as you dictate so you'll never

lose your place if someone interrupts you. And the voice reproduction is crystal clear.

A Dictabelt is so small you can file it, so light you can mail it and so inexpensive you can throw it away when you're through.

So get yourself a Time-Master. And give your secretary a belt. You'll both get through a lot more paperwork in a lot less time.

Dictaphone
Dictation Systems

War on poverty or business?

To the Editor:

As an American taxpaying citizen, I am shocked by what Associate Editor Paul Hencke reports in his article, "Is War on Poverty Becoming War on Business?" (March).

If there is even a sprinkling of truth in what this report divulges, then it is incumbent upon the representatives of the people to cooperate in a Congressional investigation.

I resent that even one "lead dime" should be extracted from my hard earned income via tax exploitation to help pay for antics so obnoxious to decent Americans.

ARNOLD W. CRAFT, SR.
Craft Oil Corp.
Avoca, Pa.

To the Editor:

I found your article "Is War on Poverty Becoming War on Business?" [March] stimulating but somewhat negative as to what industry constructively might be doing about it.

There is a genuine need for consumer education material useful to social workers and teachers in dealing with the poverty segment of the population, including those who may not be able to read the label on the products they buy. Since many of these people are being supported in whole or in part on public funds, it is certainly in the public interest that they be given basic guidance on product purchase and use. . . .

Rather than condemning consumer education as a part of the anti-poverty program, shouldn't industry seek ways to work with antipoverty leaders to extend the kind of guidance that can raise standards of living without raising the relief payments?

E. SCOTT PATTISON
Manager
The Soap and Detergent Association
New York, N.Y.

► *Editor's Note: Nation's Business is not opposed to war on poverty or to consumer education. However, as our article in March showed, some tax-paid antipoverty employees*

are apparently anti-business and have set themselves up as judges of what products and stores the public should use—and what they should not—and have helped organize business boycotts.

Officials of the Office of Economic Opportunity (poverty office) told Nation's Business that paid workers should refrain from praising or damning specific products or stores—while on duty.

Policies governing "group protest" are looser, permitting staff workers to organize bus boycotts or rent strikes, though workers would not be paid for time taken from their duties to participate.

Government's big stick

To the Editor:

Your article "People Speak Softly When Government Carries a Big Stick" [January] by Alden H. Sypher is alarming and powerful.

Increasing governmental bureaucracies and centralization of government has long been of great concern to our organization.

With your permission, we would like to make copies of this article and distribute them to businessmen and to the general public.

Thank you very much.

EVERETT A. YOUNG
President
The American Federation of Voters
and Taxpayers, Inc.
Los Angeles, California

Sen. Aiken on controls

To the Editor:

At the time Gen. Maxwell Taylor appeared before the Senate Foreign Relations Committee, I queried him as to his understanding of the meaning of communism.

The purpose of my questioning was to bring out the fact that we already have in effect many of the basic facets which we customarily associate with totalitarian governments. Should the war in Southeast Asia reach its potential proportions, it would be necessary to still further concentrate controls over resources and people in our own federal government.

It seems rather incongruous that



Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

Lathem leads the field with a deluxe, fast-operating top-inserting time recorder that provides error-free two-column payroll accounting for straight time and overtime. And Lathem makes time clocks feasible for companies with as few as three employees with low-priced side-printing models which may be used for job time as well as payroll time.

LATHEM TIME RECORDER COMPANY
2127 Marietta Blvd. NW, Atlanta, Ga. 30325
Please send me complete information and prices, also payroll time card samples.

Name _____

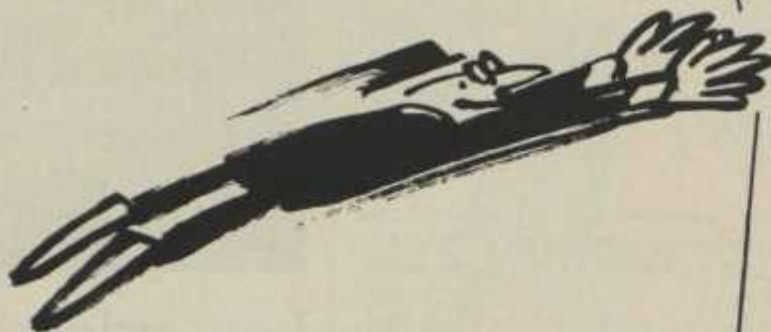
Company _____

Address _____

Lathem

TIME RECORDERS
PROGRAM TIMERS
TIME STAMPS
WATCHMAN CLOCKS

12 cities in 13 days? Let Hilton worry about it.



We try to smooth rough schedules. Give special service to people on-the-go. Like the Hilton Reservation Service. Makes it possible to reserve rooms in all the cities your business trip demands with just one call. And at confirmed rates. So call. Ask about our other services, too. You'll be glad you did.

For reservations: Call any Hilton Reservation Office (see phone book) or any Hilton or Statler Hilton hotel or inn.

HILTON HOTELS

All Moore-McCormack ships are registered under the Flag of the United States of America.



For the future: bids were invited February 1, 1966, for building four container roll-on roll-off cargo liners of 28,000 tons displacement, designed for cruising speed of 25 knots.

MOORE-McCORMACK LINES

CONTAINER DIVISION - Two Broadway, New York 10004 - Phone (212) 363-6640

The company that has proven from experience the speed and economy of door-to-door containerization.

Business opinion:

we might be called upon to fight communist practices 10,000 miles away while being forced to accept similar ones at home.

Of course, it will be said that our acceptance of such practices would be only for the duration of the war and I am sure that President Johnson would be opposed to perpetuating them.

But, on the other hand, we cannot now predict the duration of the war, the trend toward more Federal controls and responsibilities is increasing and no one can foretell the future.

SEN. GEORGE D. AIKEN
Washington, D.C.

Copies for Congress

To the Editor:

I want to commend you on your article in the February issue of *NATION'S BUSINESS*: "How Unions Are Trying to Take Over."

It would be a very fine thing if a copy of this issue could be put into the hands of every Senator and Representative. I am sure that, in spite of the information that is being funneled to them from Senator McClellan's Government Operations Committee, there are a great many of our representatives in the Congress who are really not aware of just how serious a threat the unions are to the economy and the freedoms of individual people.

W. S. RAWITZER
Chairman of the Board
Vogue Rattan Manufacturing Co.
Lexington, Ky.

Ducking their duty?

To the Editor:

It is long past time for businessmen to accept the duty, individually and in groups, to make a loud, continuous, forceful, yet intelligent and public-spirited noise in the political arena.

The man who spends his days in the market place and his evenings in the country club bar bellyaching about the government will have little influence in the legislative halls. He will have no reason to be surprised when those with political savvy stomp on him.

Many of our major cities are perfect examples of what can happen when the great concentrations of talent represented in their business communities abandon their civic responsibilities to the demagogues and opportunists.

FREDERICK C. SAGE
Administrator
Brighton Community Hospital
Brighton, Colo.

New York Life statement of condition



New York Life had a most successful year in 1965. Payments to policy owners and beneficiaries reached a new high. More New York Life insurance was purchased than in any previous year and the total volume of insurance in force set a record. Premiums and investment income also reached new high levels. Dividends set aside for payment to policy owners in 1966 are the largest in the Company's 121-year history. As a mutual company, New York Life has no stockholders. Through dividends our policy owners obtain protection at the lowest possible cost.

DECEMBER 31, 1965

Prepared from the Annual Statement filed with the New York State Insurance Department

ASSETS

BONDS:	
United States Government	\$ 146,944,695
State, Municipal, Authority and other government	224,656,782
Railroad	234,586,900
Public Utility	1,256,931,736
Industrial and other	2,525,353,019
	<u>\$ 4,388,473,132</u>

STOCKS:

Preferred and guaranteed	\$ 348,316,017
Common	350,480,214
	<u>\$ 698,796,231</u>

FIRST MORTGAGES ON

REAL ESTATE:

Insured and guaranteed	\$ 1,073,932,259
Conventional loans	1,377,185,791
	<u>\$ 2,451,118,050</u>

REAL ESTATE:

Properties for Company use	\$ 46,859,843
Rental housing and business properties	309,401,603
	<u>\$ 356,261,446</u>

MINERAL AND OTHER

INTERESTS	\$ 33,379,216
LOANS ON POLICIES	655,319,251
CASH	40,363,287
DEFERRED AND UNCOLLECTED PREMIUMS	153,471,129
INVESTMENT INCOME DUE AND ACCRUED AND OTHER ASSETS	79,030,520

TOTAL ASSETS \$ 8,856,212,262

LIABILITIES

POLICY RESERVES	\$ 6,496,159,271
These reserves are required, together with future premiums and interest, to assure payment of future benefits to policy owners and beneficiaries.	

POLICY PROCEEDS LEFT WITH COMPANY AT INTEREST	391,696,475
------------------------------------------------------	-------------

DIVIDENDS LEFT WITH COMPANY AT INTEREST	719,574,863
------------------------------------------------	-------------

PROVISION FOR DIVIDENDS PAYABLE TO POLICY OWNERS IN 1966	221,356,101
-----------------------------------------------------------------	-------------

PREMIUMS RECEIVED IN ADVANCE	58,864,634
-------------------------------------	------------

POLICY CLAIMS	51,292,910
----------------------	------------

Benefits in course of settlement and provision for claims not reported.

MANDATORY SECURITIES VALUATION RESERVE	230,403,015
-----------------------------------------------	-------------

TAXES—FEDERAL, STATE AND OTHER	33,085,125
---------------------------------------	------------

OTHER LIABILITIES	36,907,956
--------------------------	------------

TOTAL \$ 8,239,340,350

SURPLUS

SPECIAL SURPLUS—GROUP LIFE CONTINGENCY RESERVE	\$ 5,800,000
-------------------------------------------------------	--------------

UNASSIGNED SURPLUS	611,071,912
---------------------------	-------------

TOTAL \$ 616,871,912

TOTAL LIABILITIES

AND SURPLUS \$ 8,856,212,262

BOARD OF DIRECTORS

ELLIOTT V. BELL
Chairman of the Executive Committee
McGraw-Hill, Inc.

JOHN M. BUDD
President
Great Northern Railway Company

CHARLES A. CANNON
Chairman of the Board
Cannon Mills Company

CHARLES A. COOLIDGE
Ropes & Gray

CHARLES D. DICKEY
Chairman, Directors Advisory Council
Morgan Guaranty Trust Company of New York

DUDLEY DOWELL
President

FREDRICK M. EATON
Shearman & Sterling

ALFRED M. GRUENTHER
General, U.S. Army (Ret.)
Former President

American National Red Cross

KENNETH H. HANNAH
Executive Vice President
Union Carbide Corporation

PAUL G. HOFFMAN
Administrator, United Nations
Development Programme

JOHN B. HOLLISTER
Taft, Stettinius & Hollister

ARTHUR A. HOUGHTON, JR.
President, Steuben Glass

DEVEREUX C. JOSEPHS
Trustee and Corporate Director

ROBERT A. LOVETT
Bruen Brothers Harriman & Co.

STANLEY MARCUS
President, Neiman-Marcus Company

KATHARINE E. McBRIDE
President, Bryn Mawr College

CLARENCE J. MYERS
Trustee and Corporate Director

RICHARD K. PAYNTER, JR.
Chairman of the Board

RICHARD S. PERKINS
Chairman of the Executive Committee
First National Bank

WILLIAM S. RENCHARD
Chairman
Chemical Bank New York Trust Company

FRANK STANTON
President
Columbia Broadcasting System, Inc.

JOHN P. STEVENS, JR.
Director, J. P. Stevens & Co., Inc.

MARK R. SULLIVAN
Former President
Pacific Telephone & Telegraph Company

J. HARRIS WARD
Chairman
Commonwealth Edison Company

Bonds subject to amortization under the provisions of New York State Insurance Law are stated at their amortized values. Income bonds and preferred stocks in "Good Standing" are valued at cost in accordance with the National Association of Insurance Commissioners Valuation Procedures, and all other bonds and stocks are at market values. Bonds valued at \$90,268,448 are deposited with Governments and States as required by law.



If your business has a future, see a Realtor®

Modern manufacturing needs modern buildings to grow in. You just can't make new-fashioned products in an old-fashioned factory.

And the man who can help you choose the best industrial property is your Realtor. Through him or a colleague you can get the specialized experience and training necessary to anticipate all your needs, help you grow in any part of the country.

A Realtor is a professional in real estate who subscribes to a strict Code of Ethics as a member of the local board and of the National Association of Real Estate Boards.

A business needs a Realtor when it's growing up.



Realtors' National Foundation, Inc.,
1300 Connecticut Ave., N.W., Washington, D.C. 20036

Executive Trends

- Most-wanted skill
- Does the pinnacle have a price?
- New ammo for war on costs

Decision-making skill still counts most with prospective employers.

"Popular belief to the contrary, widespread use of computers has not removed the decision-making process from managers, but has increased it," comments William F. Breitmayer, president of Executive Register, Inc., New York job clearing house for executives and companies.

"The amount of print-out today is tremendous," he continues, "and the information flooding the executive desk, often pointing up seemingly contradictory facts and trends, makes decision-making more important, more subtle, more sophisticated. It used to be that black was black and white was white. Not so today. There are just many shades of gray, in the informational sense, and the administrator has to have keen eyesight indeed to base his decisions on such a multiplicity of information."

Note: Professional recruiters report "terrific" current scarcity of qualified sales management personnel. In high demand are regional sales managers, vice presidents for sales and other marketing executives. Recruitment of sales trainees also is on the upswing.

Getting to the top is a worthwhile aim, but you should be aware that arrival has its dangers, says John W. Rollins, former Lt. Gov. of Delaware and present head of several multimillion dollar enterprises.

"When you're at the top, you're listened to so much by so many

people, you risk losing an objective evaluation of your own ideas," he adds. His antidote: If you're the top man in your business, make sure you safeguard your creativity and perspective by seeking experiences outside your company—experiences such as civic activities and politics, "where sometimes you're not the expert."

• • •

Many businessmen—you could be among them—are worried about the soaring spiral of white-collar costs.

While direct-shop costs of industry are declining, percentage-wise, white-collar expenses are on the upswing—in some cases tearing large chunks out of profits.

To keep these costs down, consultant David Swett of Bruce Payne & Associates urges his clients to analyze white-collar assignments, to fix time values to office jobs to determine how long they take to complete as opposed to how long they should have taken.

"Look for trends in the relationship between your direct and indirect costs," advises consultant Swett. "They should give you clues on where you can save money."

• • •

Some day soon you might know for sure what kind of weather they're having when you have to travel around the country.

Meteorologists have been making experimental season-ahead forecasts at the U. S. Weather Bureau in Suitland, Md., for five years. But the information is hush-hush. A Bureau spokesman tells NATION'S

***amazing
new device
cuts fuel
consumption
up to 17%***



We didn't plan on that when we started to build the Dual Super G. All we wanted was the best truck tire our 51 years of tire making know-how could deliver. And we got it. With an exciting extra: built-in fuel saving ability better than many patented devices.

It happens because of our exclusive, new, twin steel belts and radial ply Nygen cord construction. Together, they cut flexing, heat, road noise and fuel consumption. They also do what they were originally designed for: deliver extraordinary high mileage, up to twice as much



THE DIVERSIFIED MAJOR

more than you now get. If you're ready for more tire mileage than you ever had before, see your General Tire Specialist for Dual Super G's. They'll cut your fuel costs, too!

2 free books of profitable building ideas!



Booklet, "Things to Check Before You Build," includes important considerations in selecting a site . . . in assuring early occupancy . . . in reducing cost per square foot . . . in anticipating expansion.

Inland catalog 530 shows how others have erected Inland steel buildings to enjoy the appearance of custom design with the savings of pre-engineered construction.



Tear out coupon
and mail today!

Inland Steel Products Company
Dept. D, 4123 W. Burnham St.
Milwaukee, Wisconsin 53201

☐ Send me free building books.
I am planning to erect a building
.....ft. wide xft. long
to be used for.....

☐ Have a representative call.

Name.....

Company.....

Address.....

City.....State.....

Zip.....County.....

Building for Business

- Trend: Off-site assembly of components
- Minimizing construction costs
- That matter of company image

It appears to be an inescapable fact that as the cost of construction manpower, materials, machines, and money continues to climb upward, pre-engineered, factory-fabricated buildings are destined to play an ever-increasing role in reducing building costs per square foot.

A loan officer in one of the Southwest's major banks put it this way, in talking to a representative of Contractor News, a monthly building publication, "... certainly the buyer of a steel building has picked an efficient way to use his building dollar ... I would say that a great many people have found that a steel building can be made more attractive and functional at far less cost than a comparable conventional building."

This proved true for United Van Lines, when they built a 34,000-square foot headquarters building in Fenton, Missouri. At a cost of \$9.35 per square foot, the company reports saving enough on the Inland steel building to pay for interior furnishings.

Cost per square foot, of course, depends upon such variables as size and niceties. But experience has shown it to be low enough to earn for pre-engineered buildings like Inland's wide-spread acceptance for stores, garages, auto showrooms, shopping centers, warehouses, office buildings, bowling alleys, clinics — even churches and schools.

One of the principal contributions of pre-engineered buildings to cost control is the shop-manufacturing of standardized steel framing members. They fit together quickly and precisely on the job-site — and this

eliminates a lot of costly cutting and fitting. As a result, pre-engineered buildings often are erected in weeks, where conventional construction might take months.

The incentive for businessmen to seriously consider pre-engineered buildings doesn't stop with economy, however. There's the matter of company image, also. Progressive businessmen are well aware of the fact that a handsome building is more inviting to customers and prospects. And helps to tell the story of the company's success to the community. Thanks to the ingenuity of architects in putting the pieces together, so to speak, today's typical pre-engineered building is a far cry from yesterday's. The pre-engineered structure has undergone a remarkable revolution in appearance, design, and effective use of materials.

As you traveled to work this morning, chances are you passed pre-engineered buildings you didn't realize were pre-engineered. As building manufacturers are quick to point out, the mere fact that a building is pre-engineered doesn't mean it has to look like anyone else's. Only the structural framework is standardized.

Since its exterior walls are non-load-bearing, a pre-engineered building can be enclosed with the owner's choice of exterior materials — masonry, glass, wood, or colorful steel or aluminum panels. The roof line can be flat, gabled, or sloped. Here's where an architect can modify a standard pre-engineered building system to create an economical building precisely tailored to his client's needs.



CONFUCIUS WAS A VERY WISE MAN

Nearly 2500 years ago, the great Chinese Sage, Confucius, made the observation that "one picture is worth a thousand words".

Today, the wisdom of this observation is still apparent and business people everywhere utilize visual display to fix their firms and products in the public's memory.

Through the medium of "COLOR PHOTO CARDS" a lasting impression of your salesman, firm or product can be formed at a very nominal cost.

As a business man you know how much each customer call costs, (or ask your comptroller, he can tell you.) Yet how much residual image does your sales man leave?

A business card, with a portrait in vivid lifelike color will not be forgotten when the prospect is ready for your product.

So whether you're management, comptroller, or supervisor, benefit your firm, clip this coupon, and mail it to Dept. B.C. We'll send you sample cards and full particulars...

**Color Photo
Business Card
Prices**

\$8.00

PER HUNDRED

Price includes type and set up for standard card layout.

\$7.00

For each additional hundred with no changes.

DEPT. B.C.

P.O. BOX 59-2437
Airport Mail Facility Branch
Miami, Florida 33159

Gentlemen:

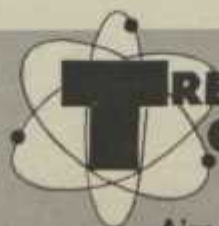
Please zip me full particulars.

Name _____

Company _____

Address _____

City _____ State _____



**TREMENDOUS
COLOR**

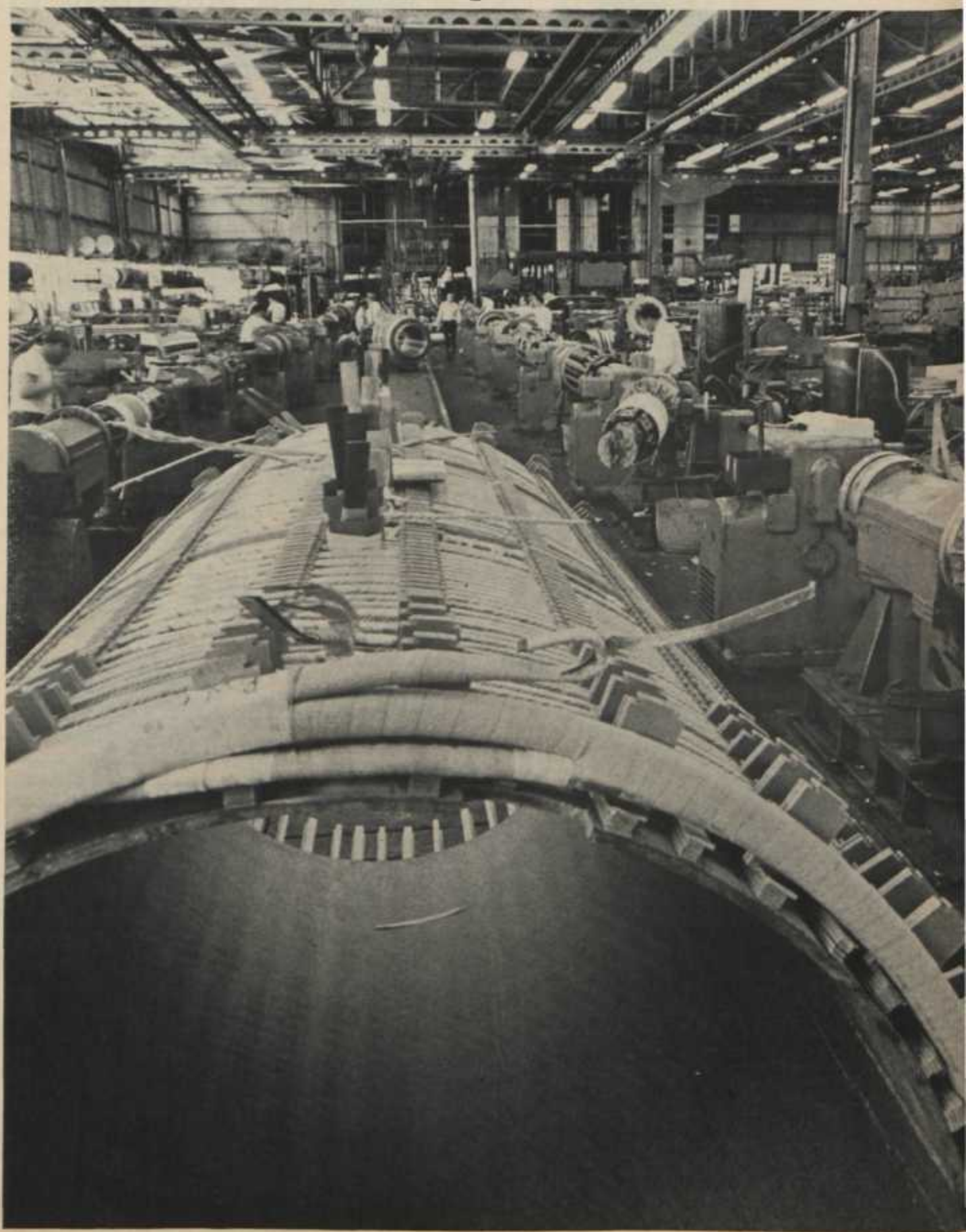
**KIM COLOR
Corporation**

P. O. Box 59-2437

Airport Mail Facility Branch Miami, Florida 33159

The nation's foremost independent photo finishers

Good Schools Helped Attract World's



Largest Substation Transformer Plant



Coils for transformers are wound at semi-automated stations and pass down continuous conveyors in General Electric's Rome, Ga., medium transformer plant—world's largest. A complete line of primary and secondary transformers for substations is produced. Plant has expanded once, and construction on a twenty-five per cent expansion starts this year.

THE SOUTHERN COMPANY

ATLANTA, GEORGIA • BIRMINGHAM, ALABAMA

Alabama Power Company
Georgia Power Company
Gulf Power Company

Mississippi Power Company
Southern Electric Generating Co.
Southern Services, Inc.

TAX-PAYING • INVESTOR-OWNED

Where is it?

Rome, Georgia, is the location of General Electric Company's huge medium transformer plant. It manufactures units ranging from 2,400 pounds to 200,000 pounds for shipment throughout the U.S. and to foreign countries. The plant employs 1,500 with an annual payroll of more than \$11 million.

The GE plant is just one example of highly diversified manufacturing and service organizations which have located in Rome. Among many incentives for industrial expansion in the Rome area are excellent educational facilities. In addition to an outstanding public school system, there are six privately supported institutions offering instruction from elementary through college levels.

Rome's economic growth and its supporting services to industry are typical of cities and towns throughout the 120,000-square-mile area served by The Southern Company system. Contributing to this growth is the ample, low-cost electric power supplied by our companies.



Hermann Hall, new administrative center at Berry College and Berry Academy, Rome, Ga., symbolizes growth since 1902 when Miss Martha Berry founded the schools. Today, a "work requirement" is still used to teach the self-reliance and dignity of work. A quality academic program including business, science, and liberal arts is taught in more than 50 modern buildings on 30,000 acres.



POWER FOR PROGRESS

Remember when Background Music was expensive and strictly for "Big Business"?

Nowadays just about every business and professional man has been exposed to background music. Its value for influencing people has been amply proved. Depending upon your objectives, you can use background music to put customers in a buying mood, put patients in a relaxed mood, put employees in a happier working mood.

But Conventional Methods deprive most smaller organizations of these benefits. Till now, all successful background music operators have leased their systems. The bills roll in month after month after month.

Starting right now, 3M Company offers a completely new way to bring the advantages of background music to business, industry and professional offices regardless of size or location.

You Buy Both Equipment And Music outright. Total cost of ownership amounts to about one month's salary for an experienced secretary.

For this modest sum, you own the new 3M Brand "Cantata" 700 Music System. Included is a compact cartridge of 700 different musical selections.

Two Different Libraries are available. The Melodic Library is designed for stores, clubs, hospitals, restaurants, rest homes, hotels and motels, etc. The Rhythmic Library is programmed for offices, factories, supermarkets and professional quarters.

Think of what this means to your business, professional office or factory! You can soothe away the annoyance or impatience of clients, customers or patients. You can



create a melodically tranquil atmosphere to increase sales. You can stimulate employees to extra effort. Incidentally, you can use the "Cantata" 700 as a public address system, too.

Remember, You Own This Compact Unit. It's only the size of a typewriter—just 15 inches by 7 inches by 12 inches. Yet auxiliary speakers make it completely practical for large office suites, factories, stores.

The "Cantata" 700 is as easy to operate as a light switch. Operation is completely automatic. You just push a button to stop or start. In the rare event that service is necessary, you'll find 3M Background Music experts at your service. Anywhere in the Continental United States. Why not investigate today? Music that people *feel*, rather than hear, may solve problems that have been nagging you for a long time.

Free Trial Offer

Get complete details without cost or commitment. Just send a request on your letterhead to:

3M Background Music
Saint Paul, Minn. 55119

"Music to bring out the best in people"



EXECUTIVE TRENDS

continued

BUSINESS this much: Gratifying progress has been made with the forecasts to date, especially in predicting temperature patterns. It's possible the Bureau will begin to release the forecasts publicly in the future, and when they do become public their impact on some businesses could be dramatic.

Item: Businesses now can buy 30-day weather "outlooks" from the Weather Bureau. If interested, contact Extended Forecast Branch, U. S. Weather Bureau, Suitland, Md.

• • •

Here's a way to make sure you get more done each day:

Overschedule yourself.

Sound silly? Perhaps. But it's the technique that Charles Levinson, executive vice president of Steelcraft Manufacturing Co., Cincinnati, uses and finds successful.

By planning all appointments back to back, he's able to eliminate conversations that might drag on if he didn't have the pressure of knowing another appointment was coming up fast.

• • •

At what point does a watchful boss become a morale-wrecker?

It all depends on how you do the watching. Consider this:

The Methods-Time Measurement Association finds that most clerical workers actually want to be observed and evaluated—if the boss uses impartial standards that apply to all employees.

Morale gets shaken, the association reports, when supervision involves subjective judgments that are "arbitrary, unmeasured and emotional."

• • •

A salesman's lagging performance may mean he's too cynical.

This explanation was offered by business psychologist Mortimer Feinberg in a recent discussion of reasons why salesmen fail.

He noted that the cynical salesman is not likely to be moved to greater efforts by even the most pyrotechnic pleadings of his manager. The hard shell of resistance to inspiration has simply grown too thick.

Other reasons for sales failure enumerated by Dr. Feinberg:

- Avoiding tough prospects.
- Concentrating on past successes.

Look who's minding the store...

This Victor Series 9 Cash Register keeps perfect tabs on your \$'s, your c's, your paid-outs, your paid-on-accounts, all your + 's and - 's, and even on that new girl you hired last Saturday. And incidentally, your tab on the Series 9 is smaller than that of any register of its type. Smaller for each optional feature, too. But after all, that's what you'd expect from America's largest manufacturer of figuring machines. Victor Comptometer Corporation, Business Machines Group, Chicago, Illinois 60618.

 **VICTOR**



tourist attraction

You'll be seeing a lot of us when you head out on your vacation this year. Our big, bright earthmovers are all over the countryside now. They're fun to watch as they carve out the hills, haul away the rock, plow thru the gumbo. What's making IH construction equipment the hottest brand on the big highway jobs? It's famous for taking every kind of punishment, for keeping "downtime" to a minimum, for getting the job done on time or ahead of schedule. Here is another dramatic example of International Harvester's basic mechanical power addressing itself to the work of the hour—and getting the work done!



International Harvester puts power in your hands



LBJ's plan to outpolitic the communists

BY PETER LISAGOR

In the mythology of the laconic Yankee and the garrulous Westerner, the David Harum strain has always run strong. It has undoubtedly influenced President Johnson. For, while the Chief Executive was not a small-town banker with an aptitude and zest for horse-trading, he has functioned in the Harum tradition. In his Senate days, he traded hard and shrewdly to accomplish his goals. He still likes to get his money's worth, as the saying goes, and is far enough beyond innocence to appreciate the old proverb, "Who lives by hope will die of hunger."

In his approach to foreign aid, he has tended to the banker's viewpoint rather than the philanthropist's. With a certain benevolence, he has not demanded gilt-edged collateral for every loan made by the United States. He has insisted, however, that recipient countries display more than token evidence that they intend to fulfill certain essential conditions if they are to continue to be beneficiaries of the program.

Most Washington observers smile indulgently at these annual assertions of new, tougher, more realistic conditions for dispensing American assistance, as though they were listening to a chronic drunk taking one more pledge. The game of making the program palatable to Congress is endless and variable; the name of the program, for example, has been changed at least four times since its inception, each new designation implying radical departures from past practices and bright revolutionary prospects for making every dollar count in ways that would delight David Harum's fine Yankee heart.

• • •

Time alone will judge Mr. Johnson's new twist. But there is some reason to suspect that the strategy of aid is being changed and that the President intends to put what one aide has called "more executive energy" into overseeing the results.

The South Vietnamese leaders who met the Presi-

Mr. Lisagor is the White House correspondent for the Chicago Daily News.

dent in Honolulu in early February got a taste of his personal interest in what has come to be called the "other war" in that embattled and fragmented land, the attack upon the social, economic and political ills of Saigon and especially of the countryside.

The President, who would like nothing better than to export his Great Society program in miniature to all the South Viet Nams of the world, listened to the Vietnamese officials outline their projects for reform and revolution. Four of his Cabinet officers, the heads of the Departments of State, Defense, Agri-



White House hopes to put more stress on self-help in its foreign aid programs, rather than only feed hungry.

culture and Health, Education and Welfare who will be charged with helping achieve some fairly ambitious objectives, also paid close attention.

Then, the President leaned across the table and fixed Premier Nguyen Cao Ky with that formidable and sometimes forbidding gaze of his, and spoke, in effect, these words:

"When I was a small boy in Texas, my father took me along with him when he went to hire some Mexican laborers for his farm. The bargaining was hard, and just about when my father thought he'd made

TRENDS: WASHINGTON MOOD

a satisfactory deal, one of the Mexicans said to him, 'You speak Spanish?' My father didn't quite know what to say. He felt that the deal would fall through if he said he didn't speak any Spanish. So he said, 'I speak a little.'

"The Mexican looked at him long and hard, and then said, 'Well, speak a little.'"

The President paused. "Now when we meet again in a few months," he resumed, "and take up the changes and the reforms you've made, I'm going to look you in the eye and say: 'Speak a little.'"

Ky and his associates didn't miss the President's point. He would expect them to have something to say about progress in the fields of agriculture, health, education, land reform and political action. And he would expect Ky to start identifying his government with the aspirations of the villagers and the farmers in the country.

"We have to prove that we're better politicians than the communists are," he told the ruling generals of Viet Nam who came to the Hawaiian conference. "We have to prove that our program is better."

"All the fancy words and all the fancy promises won't matter a hill of beans until that man out in the fields and villages feels your government cares about him."

The subsequent parade to South Viet Nam of Vice President Hubert H. Humphrey as a combined fact-finder and cheerleader, plus a host of specialists and experts on everything from growing strawberries to teaching arithmetic and inoculating chickens, is a pure example of Presidential energy applied to the problem of enabling the Vietnamese leaders to "speak a little" when next they encounter the tall American.

• • •

But South Viet Nam is a special case, of course, so far as American aid is concerned. The President, whose defensiveness often leads him to reject proposals at first but whose determination to try anything reasonable just as often prompts him to accept them later on, followed the recommendations of many Congressmen and others in dramatizing peaceful works in South Viet Nam. In fact, this emphasis on the civilian aspects of the Vietnamese struggle won support for the Administration's military involvement from many previously dubious citizens, notably prominent churchmen.

It may—as many earlier starts on rural reconstruction have—turn sour or even backfire to the advantage of the communist guerrillas. But if the war is a struggle for the loyalties of the people, as much as it is a contest of strength, the socio-economic phase is inescapable, in the judgment of the Administration. It also serves the useful purpose of reaffirming that the United States has no colonial designs upon South Viet Nam.

The President's advertised new directions in foreign aid, however, go far beyond Viet Nam. In the words of Administration officials, it means the severe

application of the self-help principle. And for the first time, it stresses not the usual building of harbors, roads, factories—the so-called "infrastructure" of a developing economy, to use a horrible but unavoidable word—but the growing of more food, the training of more skilled hands and the controversial but increasingly acceptable problem of population control.

One Administration official summed up the present concept in these words: "You can't industrialize without competent and trained people, a sound agricultural program to feed them adequately and a sound population base."

Unless those countries receiving U.S. assistance manage their food and population problems effectively, no amount of outside help will solve their plight, in the view of the President. Studies made by his task forces concluded that many nations were simply losing the battle to feed themselves. With an estimated 1.7 billion men, women and children on the verge of starvation in the world, the crisis has ceased being academic and the prophet of our times has become Thomas R. Malthus, the Eighteenth Century Englishman whose theory, as capsuled by a contemporary population expert, stated that "if unchecked, populations have a built-in tendency to increase geometrically—as does money at compound interest."

Malthus had an apocalyptic view of checking population growth. It would be done through war, famine and disease, which he felt to be divinely ordained. Even though he favored late marriages and premarital continence, he was opposed to any and all artificial bars to human fertility. Today's religious and moral climate remains sensitive, but in the Administration's judgment, each nation must act as it sees fit to cope with the problem—but it must act.

It has been coldly concluded that not all the wizardry of science and technology in the development of livestock and plants—not all the fertilizers, insecticides, modern farm machinery and the like—can make the difference unless the population is placed under sensible restraints in many areas of the world. A declining death rate and greater life expectancy due to improved health conditions have only complicated the task.

President Johnson, pursuing the David Harum tradition, has indicated that he wants more than a show of willingness on the part of aid recipients to take the measures, however harsh and unpopular, to improve their economies and the lot of their people. He also intends to compel these countries to fulfill certain political conditions, even such negative ones as not kicking Uncle Sam in the teeth in international quarrels. Occasionally, he might just demand a little show of support in situations which will not compromise their professed principles or posture in a nervous world.

This is pretty brave talk for a government that has been in the foreign aid business for two decades, and much of it has been heard before. But Mr. Johnson knows he can't continue to sell the program to Congress unless he can show more dramatic returns than past programs have produced. And he's got a fair chance of doing just that provided he convinces enough foreign clients that U.S. aid isn't automatic.

**Put our new paper
in your old wet copy machine
and see how it comes out.**

Dry.



Dry enough to write on.
Dry enough to fold.
Dry enough to rubber stamp.
Dry enough to distribute immediately.

Dry...

We call it Copyrapid Dry paper.

It works on any wet copying machine.

Ask your dealer for Copyrapid Dry Photocopy Supplies by Agfa-Gevaert. Or write for descriptive literature.

Copyrapid® Dry Paper

A Major Breakthrough in Dry Copying by Agfa-Gevaert

GEVAERT

AGFA-GEVAERT
Teterboro, New Jersey



Agfa-Gevaert, Inc.
273 North Street
Teterboro, N. J. 07608 NB-4

I want to know more about making dry copies on a wet copier with Copyrapid Dry paper.

☐ Please arrange a demonstration in my office, at no obligation.

☐ Please send me your free illustrated book.

Name

Firm

Address

City State

Zip Phone

My dealer's name

His Address

This unpleasant, cranky, and unbelievably rude man works for Avis.



To show his face would ruin his act.

“Look, sister, I asked you for a red Plymouth convertible. Don’t hand me any jazz about a reservation and don’t tell me all you’ve got left are sedans. Just you get a wiggle on and try harder like your ads say. Or I’ll find somebody who will.”

That’s how our Mr. X carves out a living: bugging Avis girls. Just to see if he can wipe the smiles off their faces.

(You aren’t always in such a hot mood yourself when you come in, if you want to know. And we want to be ready for you.)

Company spies aren’t nice. But neither is being No.2.

The names of some Avis employees are reported to our president. Some will get his personal check for ten dollars for trying harder.

Some won’t.

New side effects of Viet Nam fighting

BY FELIX MORLEY

That there are now three separate but overlapping "cold wars," and that the logic of events is rapidly terminating the original one, is the well-presented thesis advanced by the important West German weekly paper: *Die Zeit* of Hamburg. It is argued by Dr. Theodor Sommer, an acute political commentator who as a former Washington correspondent is also familiar with the United States.

These world-shaking conflicts, of course, are between Russia and the West, between Russia and Red China and between the latter and the United States. Dr. Sommer finds the first and oldest of these confrontations giving way to peaceful co-existence, that between Russia and China in an uneasy armistice, the one between China and ourselves the most dangerous because of the Vietnamese ulcer. The war in Southeast Asia, in other words, is bringing new political orientations with side effects that spread far beyond the area of actual fighting.

For two major reasons the argument of this German authority demands consideration. It amply confirms the point made by former Ambassador George F. Kennan, among others, when he told the Senate Foreign Relations Committee that "as a consequence of our preoccupation with Viet Nam" we are ignoring "great and potentially more important questions of world affairs." And it is at least equally thought-provoking when West Germans suggest publicly that the time is ripe for thorough reconciliation between Bonn and Moscow.

• • •

There is no question that our attention is concentrated on Viet Nam to the exclusion of other significant happenings overseas. Examination of almost any newspaper in recent weeks will show more space devoted to reports from Saigon than from all the capitals of our NATO allies combined. The same is true of TV news. When the choice is between matters affecting American lives and less emotional interests,

the former naturally has precedence. This does not mean that nothing of importance is happening elsewhere, as the Vietnamese war drags on. Of course de Gaulle's threats to withdraw from NATO get publicity, but not such connected facts as that French exports to Eastern Europe are now exceeding ours, in dollar value, by more than three to one.

Similarly, the resumption of bombing in North Viet Nam largely blanketed any analysis of the terms whereby France has resumed full cooperation in the European Common Market. Yet this economic union is at bottom the agency through which trade across the onetime Iron Curtain is being most rapidly expanded. As the productive capacities of the Common Market countries grow, so does their concerted effort to tap the huge purchasing potential of the communist bloc.

Trade is a two-way street and all the Western European nations, including Spain, are now not only selling but also purchasing quite heavily from Russia and her satellites. The industrial production of Rumania, one learns with some surprise, has more than doubled within the past decade, a rate of increase exceeded only by Japan among all the nations. Though the Rumanian level was very low 10 years ago, still this rapid advance reveals an adaptable and rapidly changing economy. And when the economy of a country is transformed, so, sooner or later, are its politics.

Even between the two halves of divided Germany, where the barriers have been most stubborn and embittered, commercial interchange is growing fast. The business linkages do not of themselves mean good political relations, but they definitely point towards that improvement. The recent visit of Britain's Prime Minister to Moscow, and that which President de Gaulle has scheduled for June, is evidence that the Kremlin wishes to talk cooperatively with the West.

To many Europeans besides de Gaulle these evidences of peaceful intent make NATO seem no longer necessary as a shield against that possible Russian aggression which seems so much less proba-

Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

TRENDS: STATE OF THE NATION

ble because of the serious Russo-Chinese rift.

The general American failure to sense this unmistakable trend in Europe probably explains why Dr. Sommer, in the article to which reference is made, describes our policy in Viet Nam as exhibiting "more self-confidence than reflection." He asks us to consider whether in bombing communists we may not be bolstering communism. Nothing should be done to hamper the independent attitude of the Russian satellites, as they search for closer relations with the West. The same thought was expressed by President Johnson when, in his State-of-the-Union message, he advocated "building bridges to Eastern Europe." In undermining communism that could be more effective than bombing bridges in North Viet Nam.

There is little doubt that the Kremlin would now like to come to an accommodation with the United States, as it openly seeks to do with other NATO governments. But in our case there is a block because of the cold war between Moscow and Peiping.



Senate Foreign Relations Committee listens to critics and defenders of our foreign policy in South Viet Nam.

This conflict is for the leadership of world communism. Therefore Russian leadership feels compelled to support North Viet Nam to the same extent that we threaten to pulverize it. To withhold Russian support from Ho Chi Minh would be to justify the Chinese charge that the Kremlin is betraying Marxist principles.

So the United States can either drive the wedge between Russia and China deeper or weld the communist split by forcing Moscow into unwilling support of Chinese aspirations for dominance in Southeast Asia. Washington can have European backing for a holding operation in Viet Nam. Alternatively, it can alienate its allies by the unrestrained military action which the "hawks" demand. The latter course would shatter the already strained unity of the West.

This plea for a deeper understanding of what is involved in Viet Nam is the more impressive because it comes from West Germany, where sentiment heretofore has generally been strongly anti-Russian and almost abjectly pro-American. In all the rest of Western Europe the fear of any further Russian aggression has evaporated.

Thus Luigi Barzini, well-known author of "The Italians" and a conservative member of the Roman Parliament, reports in *The New York Times* that the Italian Communist Party is now "absolutely forbidden" by Moscow "to start a revolution." That is because "a revolution within the American sphere of influence" would produce a Russian-American confrontation. And that is seen as being currently the last development desired by Moscow.

Even though one Italian in every four votes communist, that country has so far remained happily within our "sphere of influence," unlike some other NATO members. For Russia to accept this situation, when it could so easily create trouble, is certainly an offset to Khrushchev's blunder in sending offensive weapons to Castro, the less tolerable because Cuba is so close to our shores. It does not follow, however, that Russia, let alone China, will passively accept American domination in Southeast Asia. And to enforce it there by military power could mean the permanent loss of American prestige and commanding influence in Europe.

• • •


Radio Liberty is a private propaganda organization which effectively utilizes refugees from the communist countries to broadcast the American viewpoint to Soviet Russia and its European satellites. The president of this undertaking is Howland H. Sargeant, formerly an Assistant Secretary of State.

In his current annual report Mr. Sargeant emphasizes that the success of Radio Liberty is largely due to the strength of diverse national interests within the communist world. Monolithic control from Moscow has broken down. "We have witnessed this in the Sino-Soviet split, and in the spread of non-conformism in Eastern Europe. Not just one center of power but many centers now exist: some of them promoting a surging nationalism that scorns traditional Marxist-Leninist dogma."

The point is the more important if we remember, as General de Gaulle insistently reminds us, that non-conformism is an even more powerful force in the free world. It too has "many centers of power" which will no longer submit meekly to unilateral policies laid down in Washington.

As non-conformism with Moscow spreads in Eastern Europe so, very naturally, does non-conformism with Washington in the western part of a continent proudly seeking to regain its historic identity and influence.

This is the movement which unfortunately is overlooked when we concentrate exclusively on the fighting in Viet Nam. Its strength is painfully attested by the uniform refusal of our European allies to give more than token assistance to an American involvement for which their sympathy, to say the least, is tepid.



We're looking for: a man of vision.

A man with confidence... who believes in the future, and who knows how to make the most of it, for himself and for others.

A man such as Edward O'Shaughnessy who represents us in Chicago, Jeff Shor of New York, T. James Brownlee of St. Louis... or the more than 7,000 other Equitable representatives—men and women—in all 50 states.

These are men of vision... dedicated to serving the life insurance needs of the public. And they are admirably equipped to serve the insurance requirements of important people and of modern business through extensive schooling in fundamentals as well as in estate analysis, pension planning, group coverages.

As Equitable continues to move ahead, we need more men and women who look ahead... into their own futures and the futures of the people they will help.

Those we select will be compensated from the very start on a liberal salary and commission arrangement which will continue throughout their training period.

But they must have a rare combination of common sense, imagination and willingness to work.

If you believe you have this combination, drop a note to Coy Eklund, Senior Vice President at our Home Office. Your vision could be rewarded.

LIVING INSURANCE...FROM EQUITABLE
THE EQUITABLE LIFE ASSURANCE SOCIETY
OF THE UNITED STATES

Home Office: 1285 Ave. of the Americas,
New York, N. Y. 10019

An Equal Opportunity Employer M/F



© Equitable 1966

We deliver your cleaning.

Ask for our free Maintenance Value Analysis. It shows how American Building Maintenance can deliver the best possible cleaning at the lowest possible cost. An ABM expert will thoroughly inspect your premises, analyze your maintenance program and give you a written report. This professional method uncovers trouble spots, in 3 out of 4 cases it shows how and where you can make substantial savings.

ABM route trucks—or permanent crews and equipment assigned to the job—provide expert service to

over 500 communities in the U.S. and Canada through more than 50 local offices, including these affiliates: American Bldg. Service Co., Orlando, Fla.; American Janitor Service Co., Tucson, Ariz.; Bonded Maintenance Co., Beaumont, Ft. Worth and Houston, Tex.; San Jose Bldg. Maintenance Co., San Jose, Calif.

Our MVA booklet details typical examples of janitorial waste and explains why they often go undetected. Find out how to save on maintenance costs. Send us the coupon. We'll send you a free copy.

Let an expert show you how to cut janitorial costs. Free.



AMERICAN BUILDING MAINTENANCE CO.

335 Fell Street, San Francisco, California 94102

☐ I want a free Maintenance Value Analysis of our property.

☐ Send me your MVA booklet which shows how to end janitorial headaches.

NAME _____ TITLE _____

FIRM _____

STREET _____

CITY _____ STATE _____ ZIP _____

TYPE OF BLDG. _____ SQ. FT. _____

NB 4



Rx for safety: Fix nut behind the wheel

BY ALDEN H. SYPHER

The rising trend of blaming so many of our ills on the automobile suggests this nation might someday join the Asiatics in observing the Year of the Horse.

A mounting chorus charges the automobile with choking our cities and highways and with wanton, if not premeditated, killing. President Johnson, whose driving speed on Texas roads made news a year or so ago, has pledged his Administration will "stop the slaughter, replace suicide with sanity and anarchy with safety."

Other political figures ranging from governors to city councilmen, and lawyers, engineers and writers meet to condemn what some of them call murder by motor. Many join in accusing automobile manufacturers of putting style before safety, and building cars that cause death on the highways.

If the automobile is guilty as charged, it should be crushed, or subjected to some other equivalent of public hanging and outlawed forever. Then we could go back to the horse.

• • •

But is the automobile guilty?

Granted, it has rearranged our patterns of living. It has enlarged life itself for most Americans by enabling them to do so many more things in their allotted time than could be done without personal transport.

Men impatient at a traffic light tend to overlook the point that they are conducting both their business and personal lives on a radius almost unimaginable a couple of generations ago. Mothers who complain of being family chauffeurs tend to forget they are extending the lives of their children as well as their own.

In becoming an integral part of American living, automobiles have so multiplied that in some places and at some times they clog our streets and highways, our bridges and tunnels, almost to a state

of paralysis. Thus they bring widespread condemnation on themselves.

Small starts at outlawing automobiles have been made in a few cities. Cars have been barred from relatively small areas, where shoppers may roam in relative peace.

Prohibition was tried in Rome, which holds top honors in the world for traffic congestion. Private cars were banned from the 10 blocks containing the city's busiest and most fashionable shopping area. It didn't work.

In addition to the greatest roar of horns and epithets ever heard in Rome came spirited roars of protest from merchants and shoppers alike. The ban lasted nine days.

Now the Romans have come up with another idea: Modernize Rome, rebuild it as necessary for life in the motor age. The Romans' second thought may be worth more consideration here. It seems more logical than the suggestion made in Washington that commuters be taxed 50 cents a day to discourage the use of cars.

Congestion is a serious problem, but the far more serious crime charged against the automobile, of course, is that it is a killer.

But are cars killers? Or are people?

If the theory, now gaining so many adherents, that cars are killers is followed, statistics suggest a high degree of selectivity among automobile buyers, particularly among different age groups.

Over the past 10 years the death rate for all motor vehicle accidents was highest in ages 15 to 24 years. Obviously, then, persons aged 15 to 24 drive far more dangerous cars than persons who are beyond their twenty-fourth birthday.

Presumably the relative safety of the older group must be attributed to their selection of safer models, perhaps due to their greater maturity.

The second highest death rate on the highways falls in the 65-and-older bracket. Under the cars-are-killers theory, it must be assumed that people lose interest in, or become careless about, selecting safe cars as they pass their sixty-fifth birth-

Mr. Sypher, a life-long journalist, is the former editor and publisher of NATION'S BUSINESS.

TRENDS: RIGHT OR WRONG

day. And also that women have a surprisingly superior knowledge of, or interest in, brakes and other safety gear, for their survival on the highways, translated from statistics, is three times greater than that of men.

There can be no doubt that the tremendous advantages of the automobile age come at too high a cost in accidental death. But to blame this on the automobile and its manufacturers is to overlook the real causes and therefore obscure the cure.

More safety could be built into cars, and more has been. As one maker has put it, the ultimate is a tank. But who would want one? What happens when tank meets tank head-on?

• • •

After a \$100,000 study conducted for the state of New York, a Long Island aviation company has reported that a car could be built in which practical methods could reduce collision injuries by more than half, compared with cars now on the road and under certain conditions.

The two U. S. Senators from New York have announced they will make a federal project of it by sponsoring legislation to let the government pick up the tab for 90 per cent of the \$4 million estimated cost of building a prototype of the safer car.

Drawings of this proposed car show a swept-back periscope to give the driver a better view behind as well as a look over the tops of cars ahead, and a number of other safety features.



U. S. astronauts travel millions of miles in space without mishap, while U. S. motorists pile up daily; but astronauts are top physical and mental specimens.

But nothing in the report eliminates the situation in which a drunken idiot plows into the side of another car at incredible speed, scattering its shockingly injured occupants over the street—unless and until all 90 million automobiles in the nation are made safe under such circumstances.

Nothing in the report deals with the problem of drivers drugged by medicines to a degree that impairs their driving ability.

And nothing would screen out the psychopaths

who use automobiles as deadly, personal weapons.

At a meeting opening a campaign against murder by motor, Sen. Robert F. Kennedy, Democrat of New York, almost pointed a way toward reduction of that slaughter. But he stopped short.

Senator Kennedy contrasted the success of space engineers in bringing American astronauts safely back to earth with what he termed the failures of automobile manufacturers to prevent mechanical failures or defects.

"The same manufacturers," he said, "are willing to guarantee the reliability of complex missile and space systems they sell to the armed forces. The contrast, in my judgment, is very odd indeed."

It might have seemed less odd if the Senator had gone on to contrast the expert backup provided for missiles and space systems with the carelessness many drivers adopt toward the running gear of their cars.

Had he gone one step farther, Senator Kennedy could have come to the point of the issue he raised—the extremely careful selection and training of astronauts compared with the irresponsible licensing of incompetents, drunks and other potential killers on the highways.

• • •

The mechanical condition of automobiles and the competence of drivers may be controlled by inspection and licensing to any degree a community demands.

Drunken driving can be minimized almost to the point of elimination, if your community really wants to do it. It won't be cut down by suspended fines, or probation.

But it has been reduced sharply in Finland, where drunken driving is rewarded on the first conviction, not the second or third, with three months of labor on public works. The process is giving Helsinki an improved airport, for that's where the city's drunken drivers are working out their sentences.

Just as important is banning from the streets and highways persons prone to use vehicles as deadly weapons, for no one will be safe until science is able to identify, and society is ready to refuse to license, persons psychologically unsuited to drive.

Any good doctor can help local officials draw up a law banning driving temporarily by persons using medicinal drugs that impair their abilities.

Auto makers have been improving the safety of their products for many years, as anyone who has been driving for many years must know. But they cannot build a car that can't be mistreated or misused any more than a match manufacturer can make a match that cannot be used to set fire to a school building.

Detroit is in the business of building automobiles in response to demand in a free market, a demand it measures as accurately and scientifically as it knows how. It makes mistakes. Remedy for those that cause injury may be found in court.

But auto makers cannot enforce safety, any more than they can enforce style.

In Detroit, of all places, they know that America is the land of the free and the home of the brave.



**SEND FOR
NEW FREE
BOOK**

Mail this card Today!

APECO®
American Photocopy Equipment Company
2100 W. Dempster Street
Evanston, Illinois

BUSINESS REPLY MAIL
No Postage Stamp Necessary if Mailed in the United States



FIRST CLASS
Permit No. 128
EVANSTON, ILL.

ER-STAT™
at lower cost.

es
ig
Copies
e
Copies
Minimums
atically
ects
ost



**Works Full Time
Fits On Any Desk**

find out about it today!



AMERICAN PHOTOCOPY EQUIPMENT COMPANY • 2100 WEST DEMPSTER STREET, EVANSTON, ILLINOIS

TRENDS: RIGHT OR WRONG

day. And also that women have a surprisingly superior knowledge of, or interest in, brakes and other safety gear, for their survival on the highways, translated from statistics, is three times greater than that of men.

There can be no doubt that the tremendous advantages of the automobile age come at too high a cost in accidental death. But to blame this on the automobile and its manufacturers is to overlook the real causes and therefore obscure the cure.

More safety could be built into cars, and more has been. As one maker has put it, the ultimate is a tank. But who would want one? What happens when tank meets tank head-on?

• • •

After a \$100,000 study conducted for the state of New York, a Long Island aviation company has reported that a car could be built in which practical methods could reduce collision injuries by more than half, compared with cars now on the road and under certain conditions.

The two U. S. Senators announced they will move forward by sponsoring legislation up the tab for 90 per cent of the estimated cost of building a

Drawings of this proposed back periscope to give drivers behind as well as a look ahead, and a number of o



U. S. astronauts travel without mishap, while U. S. but astronauts are top ph

But nothing in the report eliminates the situation in which a drunken idiot plows into the side of another car at incredible speed, scattering its shockingly injured occupants over the street—unless and until all 90 million automobiles in the nation are made safe under such circumstances.

Nothing in the report deals with the problem of drivers drugged by medicines to a degree that impairs their driving ability.

And nothing would screen out the psychopaths

who use automobiles as deadly, personal weapons.

At a meeting opening a campaign against murder by motor, Sen. Robert F. Kennedy, Democrat of New York, almost pointed a way toward reduction of that slaughter. But he stopped short.

Senator Kennedy contrasted the success of space engineers in bringing American astronauts safely back to earth with what he termed the failures of automobile manufacturers to prevent mechanical failures or defects.

"The same manufacturers," he said, "are willing to guarantee the reliability of complex missile and space systems they sell to the armed forces. The contrast, in my judgment, is very odd indeed."

It might have seemed less odd if the Senator had gone on to contrast the expert backup provided for missiles and space systems with the carelessness many drivers adopt toward the running gear of their cars.

Had he gone one step farther, Senator Kennedy could have come to the point of the issue he raised—the extremely careful selection and training of astronauts compared with the irresponsible licensing of incompetents, drunks and other potential killers on the highways.

This FREE
book on the New

APÉCO®

SUPER-STAT

is waiting
for you

Just fill in and mail
this post paid
card today!



Company _____
Name _____
Address _____
City _____
State _____ Zip Code _____



THE NEW SUPER-STAT is the culmination of Apéco's quarter of a century of experience in office copy making.

It has been designed for dependable service and it copies anything easier, faster and at lower cost. The traverse flat top of the Super-Stat brings new added versatility to copymaking.

No matter if you own, lease or rent your present copymaker the Apéco Super-Stat can save you money... find out about it today.

make a match that cannot be used to set fire to a school building.

Detroit is in the business of building automobiles in response to demand in a free market, a demand it measures as accurately and scientifically as it knows how. It makes mistakes. Remedy for those that cause injury may be found in court.

But auto makers cannot enforce safety, any more than they can enforce style.

In Detroit, of all places, they know that America is the land of the free and the home of the brave.



introducing the New

APĒCO[®] ~~SUPER-STATE~~ **SUPER-STAT^{T.M.}**

copies everything...everytime...easier...faster...and at lower cost.

**what else could
you name a
copymaker
that does all this?**

Makes Dry Copies
Copies Everything
Makes Multiple Copies
Ends Copy Waste
Operates Easier
Operates Faster
Makes Sharper Copies
Ends Meters or Minimums
Operates Automatically
Copies Books
Copies 3D Objects
Costs Less
Cuts Copying Cost
Works Full Time
Fits On Any Desk



find out about it today!



AMERICAN PHOTOCOPY EQUIPMENT COMPANY • 2100 WEST DEMPSTER STREET, EVANSTON, ILLINOIS



Why we will win in Viet Nam

By Gen. Wallace M. Greene, Jr., Commandant of the Marine Corps

We should take great pride in the historical record of America's emergence as the citadel of freedom. The deep taproots of our heritage provide spiritual nourishment for strengthening our patriotism. We need this nourishment. Indeed, today patriotism is a key element in our defense of freedom and ultimate victory in Viet Nam.

But how much is "enough" patriotism? How does one plumb the depths of a nation's patriotism? How can we evaluate our collective devotion to America? How can we forecast our probable response in an hour of crisis, a moment of truth?

Although we can recognize the impossibility of applying a precise measurement to the status of patriotism, there are some useful clues and indications that should assist us in making our estimate. First, let us examine the debit side of the ledger.

Many of us were shocked, ashamed and disgusted at the degrading spectacle of Americans carrying Viet Cong banners during a demonstration in the nation's capital. Equally odious was the university professor who announced that he would rejoice in a Viet Cong victory. That any of the products of our bountiful land could be so motivated

is enough to give us serious concern. Just as reprehensible are those who mailed literature urging mutinous conduct to our fighting men in Viet Nam and who handed it to servicemen in the United States. The leaflets, prepared by the Viet Nam Day Committee, suggested that military personnel should refuse to fight and encouraged them to oppose the war: "You know better than civilians what sorts of opposition are possible." To whom, one might ask, was such an approach designed to give aid and comfort? Hanoi's leaders could not have asked for better support. We should remember that French efforts in Viet Nam were frustrated much more by anti-Viet Nam propaganda on the home front than by defeat at Dien Bien Phu.

The draft card burners comprise another group in which we can take no pride. These Americans enjoy the rights of citizenship but are unwilling to shoulder its responsibilities. They savor our nation's precious freedom but shrug off the personal inconvenience necessary to maintain it.

Then there are the noisy, peace at any cost, let's get out of Viet Nam, pull back to Fortress America demonstrators, a less

Why we will win in Viet Nam *continued*

harmful minority whose right to expression is also guaranteed by our Constitution.

To the extent that these people are sincere in their objections to our government's chosen course, and providing they do not translate their objections into obstructive tactics—like those in Oakland, Calif., who tried to impede the passage of a troop train—they should be free to demonstrate. But in an hour of crisis I would prefer a more dependable group of associates than the placard set.

These are some of the disturbing indicators in our current situation. Although comparisons with the past may not be very meaningful, we naturally look back to the "good old days" to determine whether we can detect any noticeable downward trend in our collective devotion to our country. Is there such a noticeable trend?

Patriotism in the past

I suspect that even among the brave farmers of Lexington and Concord who fired the shot heard round the world, there were those who lacked the will, faith and dedication to carry their share of the danger and discomfort. We can be sure that "life, liberty and the pursuit of happiness" were and are desirable goals for all Americans. It even seems probable that both extremes shared a pride in the young nation's accomplishments and a deep appreciation of the land's bountiful promise.

But the patriots manifested their affection for their country by positive action. The other group either passively avoided their responsibilities or actively brought aid and comfort to the enemy, carefully hedging their bets to insure that they backed both sides and thus the ultimate winner.

Still others were sunshine patriots, ready to proclaim their loyalty and anxious to be conspicuously patriotic once the storm of conflict had passed.

Analysis of other periods of crisis in our glory-rich history produces similar conclusions: Loyalty, patriotism and good citizenship were conspicuous qualities in each instance but could never be claimed for the entire population. Each time, an uncooperative minority was identifiable just as it is today.

In our current crisis, we find remarkable examples of courage, uncommon valor and good citizenship. But does patriotism today measure up to the lofty standard of the past? Let us look at the evidence.

Last August, when the Marine Corps started feeling the first uncomfortable pinch of a rather heavy

personnel commitment in Viet Nam, we extended an invitation to members of the ready reserve to volunteer for extended active duty. Certain necessary restrictions limited the number of these reservists eligible to volunteer. Nevertheless, in short order, 202 officers and 737 enlisted men indicated a desire to serve and a willingness to put aside their civilian pursuits until an important citizen's job was completed. Among our six-month reserve trainees we received similar strong support.

The retired personnel also responded to the latest crisis with an eagerness born of pride and devotion. To Headquarters, Marine Corps, came a deluge of letters expressing willingness to leave their homes and serve again the country they love so well.

Our regular Marines have responded as expected. In South Viet Nam over 2,000 combat-experienced Marines have requested extensions of their duty tours.

During a visit in January, I had an opportunity to talk to some of these young Americans. One of these conversations was particularly enlightening to me. This occurred during a visit to the Combined Action Company, a unit composed of two platoons of U. S. Marines and three platoons of South Vietnamese militiamen.

I found the company providing security in a small village and was immediately impressed by the singleness of purpose, camaraderie and esprit displayed by Americans and South Vietnamese alike. Here was a "unit" in the fullest sense of the word—a team of allies dedicated to a common cause. Since I knew that 30 U. S. Marines in this company had requested extension of their tours, I took the opportunity to inquire into their motives. "Now, look," I said, "you had a chance to return home. Why didn't you go? What do you want to stay here for?"

Why they stay

Their answers, spoken by some, confirmed by vigorous nods from the others, ran something like this: "We feel that we are making a real contribution to our country. We like and respect these Vietnamese. We see the benefits from our combined operations here in civic action and in combat patrolling as well. Our job is here. We want to stay."

These answers came from young Americans of 18, 19 or 20 years of age. They recognize fully what is at stake in Viet Nam. They know that the preservation of our precious liberty requires sacrifice.



MARINE CORPS PHOTO

Americans are as patriotic as ever, says Gen. Wallace Greene, who has been in Viet Nam where he talked to U. S. and Vietnamese troops and saw high morale of our fighting men.

During a recent visit to the hospital on Guam, I talked with a great number of patients, most of whom were malarial evacuees from Viet Nam. These young Americans, soldiers and Marines, all were anxious to return to their outfits. Let me underline that point: Without my asking, every single one of these men with whom I talked indicated a strong desire to return to Viet Nam and get on with the task at hand.

These young patriots like home comforts and conveniences as much as anyone; yet they feel that they have a job to do—a challenge to face. They neither shirk the job nor duck the challenge.

All Americans can take pride in the knowledge that our servicemen take to heart the sober words and spirit of the oath of enlistment.

Naturally such an oath should not seem alien to a young American who in kindergarten held his right hand over his heart and joined others in saying: "I pledge allegiance to the United States of America and to the republic for which it stands. . . ." This same young man a few years later joined the Boy Scouts and learned another oath: "Upon my honor, I will do my best, to do my duty to God and my country. . . ." Yes, unabashed love for our beloved country is firmly implanted at an early age. But patriotism is not just a passive love. To be meaningful, patriotism requires an active, zealous manifestation of love when the situation requires.

Manifestations of patriotism by our men in Viet Nam are positive and unashamed. From the scores

of letters from fighting men that express mature, reflective analyses of America's Viet Nam commitment I have selected five excerpts:

"I joined the U. S. Marine Corps in 1962 like thousands before me, and there will be many more behind me. . . . I joined to serve my country, my God and my Corps to the best of my ability . . . to keep my country and our allies free. . . . Demonstrate if you want, make fools of yourselves and the great America in which you live. You are only hindering our effort here."

"What has happened to the flag wavers—the pride in supporting our President and our nation and our own freedom of the world? Since when is it old-fashioned to love the sight of Old Glory, to celebrate the Fourth of July, to fight for the security of the world? I can't understand the ideas these young people have in their protest demonstrations . . . or the burning of Selective Service cards. . . ."

"If this letter will sway one person's thought from protest to patriotism, then I'll feel it was a success. . . . All we servicemen ask is loyalty from the people in the United States. Not just the majority, but all the people. It would make our job so much easier."

"My father fought in the Second World War, in the Pacific area. Now I am proud to serve my country, as he did. If it becomes necessary, I will lay down my life for the country I love and want to stay free for my sister's children. . . . I will fight to preserve my rights and to insure that generations that follow have the same rights." (continued on page 114)

A runaway boom?

WHAT BUSINESS LEADERS THINK NOW

Inflation has businessmen worried.

This is apparent from the comments of 200 board chairmen, presidents and other top-ranking executives who took part in a new Outlook Survey conducted by NATION'S BUSINESS.

The survey brought written replies from officials of companies in major industries throughout America.

While most business leaders (89 per cent) predict continued strong advances in the economy during the next six to 12 months, many say they are apprehensive about inflationary pressures.

Some charge Washington with heightening the inflation peril by failing to curb domestic welfare spending at a time when expenditures for the war in Viet Nam are rising, and by not applying the

same heavy pressure on unions that it has brought to bear on business through the wage-price guideposts.

A steel company president puts it bluntly: "Government does not have enough political guts to hold exorbitant labor raises down to reasonable levels."

Forty-three per cent of the businessmen surveyed say they must raise their prices this year. Another 25 per cent plan both increases and decreases in multi-product lines. Many businessmen favor the federal wage-price guideposts in principle. But many corporate spokesmen who accept the "jawbone" restraints in principle argue that the guideposts have been unfairly wielded by the economic chieftains of the Johnson Administration.

Over the years, executives taking part in the NATION'S BUSINESS surveys have called the turns of business with considerable accuracy. Some foresaw—early in 1956—the recession that would come the following year.

The boom which began in early 1961 was widely anticipated.

Business leaders surveyed by the magazine late in the 1950's and early 1960's repeatedly predicted that if Washington would reduce personal and business taxes this would sharply spur the economy. Their shrewd judgment proved correct.

Businessmen have other worries,



Expanding role of government in American business worries Fort Worth National Bank President Lewis H. Bond. He sees danger of inflation heightened by increased spending for Viet Nam and Great Society.



Raphael Malsin, president of Lane Bryant, Inc., is one of many retailers who forecast new advances in business between now and year's end. He identifies consumer demand as major prop to current boom.

in addition to the concern over inflation. The war, manpower shortages, tight money and materials scarcities, to name a few—but their underlying mood remains one of confidence for the next several months. The spectacular, long-lived boom of the Sixties shows no signs of serious structural fatigue, in the predominant view. But the inflationary bias in the economy is recognized as a spur that has set a galloping pace.

A few businessmen feel that the failures in the government's so-called voluntary anti-inflation restraints inevitably must lead to statutory government economic controls. Many say they would rather see new selective tax increases and sharp cutbacks in nonmilitary federal spending, both at home and abroad, as alternatives to rigid controls administered by Washington—at least as intermediate steps.

"Further monetary and fiscal restraints are needed," asserts Dudley Dowell, president of New York Life Insurance Co. Mr. Dowell opposes the guidepost approach. Another insurance executive, E. A. O'Neill, president of the Great American Insurance Companies, calls for "curtailment of the 'Great Society' while Viet Nam is such a drain."

Here are more highlights from the NATION'S BUSINESS survey:

► Ninety-six per cent of the business leaders expect their sales this year to exceed last year's.

► Fifty-two per cent say their capital spending by year's end will represent a rise over similar expenditures in 1965, despite new accelerated tax payments by corporations and other financial strains on business. Only 13 per cent plan to cut spending for new plant and equipment.

► Forty-three per cent predict improvement in their profit per dollar of sales; 42 per cent expect their

profits to hold at about the same level as 1965.

► Eighty-four per cent of executives in companies with foreign operations look for these operations to show gains over last year.

An expected high level of spending—by individuals, companies and all levels of government—is the reason most often given for forecasts of "continued upward movement by the economy between now and the end of 1966."

"The Viet Nam situation, plus government spending on domestic programs, will keep business rolling at even a higher rate than 1965," declares the president of a Midwest manufacturing concern.

Allen P. Stults, president of American National Bank & Trust Co. of Chicago, answers with these words: "Viet Nam—Great Society—momentum."

A retailing executive, Raphael Malsin, president of Lane Bryant, Inc., anticipates broad new gains in business as a result of increases in consumer demand, "partially fueled by the Viet Nam War."

None of the businessmen polled by NATION'S BUSINESS predicts a decline in general business activity over the short-range future. Eighty-nine per cent say business will improve (over '65) and 11 per cent look for about the same level of prosperity.

A handful note what they regard as early evidence of scare buying attributable to the war in South-



Lukens Steel Company President C. L. Huston, Jr. foresees big changes in buying habits, manufacturing and distribution patterns. He is confident that business will continue to climb in coming months.

AMERICA'S NEXT 10 YEARS

NATION'S BUSINESS used its latest Business Outlook Survey—one of a semiannual series begun 10 years ago—to invite business forecasts of the most significant developments in business in the next 10 years.

Almost half of the comments revolve not around expected breakthroughs in technology, or new markets, or anticipated changes in business methods, but around the lengthening specter of federal interference in the operations of our enterprise economy.

Here is a sampling:

"I look for further deterioration of the 'free enterprise' system by laws, executive orders, guidelines, tax gimmicks, etc.," writes R. F. Erickson, president of Rayonier, Inc., makers of pulp, lumber and chemicals.

"Increasing government regulations and restrictions," predicts W. A. Johnston, president of Illinois Central Railroad Co.

Banker Lewis H. Bond of Fort Worth fears "the increasing influence on and control of business by the federal government." He adds:

"I realize that in a complicated economy such as ours, affected as it is by international influences and matters of foreign policy, the increasing influence of our government is perhaps unavoidable.

"However, I'm afraid it is a little like putting a penny in the fuse box—it may keep things running smoothly for a while, but the trouble could be a lot worse eventually."

While many businessmen are preoccupied with Uncle Sam's barging into every act on the economic stage, others leaven the gloom with happier estimates of what the next 10 years will bring.

B. H. Willingham, president of Genesco, Inc., an apparel company, foresees "dramatic improvement in capital management through computerized control of working capital."

H. Thomas Hallowell, Jr., president of Standard Pressed Steel Co., predicts "more automation of office work and paperwork."

Russell H. Metzner, senior vice president of Central National Bank of Cleveland, envisions "universal recognition throughout industry of the importance to be attached to greater research and development expenditures."

Retailer Richard H. Rich: "Trading up to meet the demands of a more affluent society which will have more time for leisure and entertainment. Abnormal growth in youth market. Growth in old-age market. More emphasis on the arts, culture and recreation."

Change will be the keynote, all agree. C. L. Huston, Jr., president of Lukens Steel Co., sketches the future this way: "Drastic shifts in products and markets. For example, energy, space technology, mass transit, megapolies, urban renewal, water resources, worldwide distribution systems—all are going to change buying habits, manufacturing and distribution patterns."

Taken together, the changes foreseen by men at the top of American business add up to an exciting picture of a world to come. The typical manager of

10 years hence, seen through the still fluid, dynamic shades of this portrait, will be a highly trained professional, one whose daily decision-making will be sped by an arsenal of automated information technology and highly scientific new management techniques. Markets, more and more, will be world markets, and competition—both in this country and abroad—will be more exacting, but will be worth the greater effort. Spending power will be greater and more widespread than in today's society and the productivity of workers will be vastly increased. Companies will be larger, on the whole, and their operations more highly diversified. Automation? A commonplace by 1976. The service industries will experience phenomenal growth (coming on top of the already astonishing growth they have known in the past 10 years), and America's cities will be transformed.

The optimists see our planet somehow avoiding the catastrophe of World War III in the 10 years ahead, and they are equally confident that the sometimes abrasive relationships which now exist between business, organized labor and a growing central government will in some yet unseen way be brought into harmonious balance.

The corporate decision-makers surveyed by NATION'S BUSINESS were asked to comment also on the most significant development in American business in the past 10 years.

For some, the great strides in technology represent the most significant business change of the period since 1956. Others mention the flood of new products which have come into the market. Some cite the sharp rise in spendable consumer income, and—for many—the expanded role of government in the economy is a high-priority choice. Among those choosing the latter are Dr. John D. Hogan, staff economist for the Northwestern Mutual Life Insurance Co., Milwaukee, and John S. Fangboner, president of National City Bank of Cleveland.

Mr. Fangboner feels that "widespread business acceptance of the 'New Economics,' whereby fiscal policy is used aggressively to accelerate economic growth," will go down in the books as a watershed development of the late '50's to mid '60's.

Some businessmen deplore the increased role which government has played in the country's economic life since the mid-1950's. Others see some good in that trend—notably the use of tax policy as an instrument for spurring business activity—but question the long-run desirability of continued, deepening federal involvement.

"What we are dealing with at this point in time," says one company president, "is a problem that reduces itself to a question: 'Which course is best—preservation of the essential elements of a free enterprise system, or abandonment of that system for a managed economy?' At times, I think that perhaps I am old-fashioned and out of tune in favoring free enterprise, that maybe Washington has the answers.

"But then I see what some of these answers have brought us, and I am convinced all over again that a government-run economy would be ruinous." **END**



Atlantic Coast Line Railroad President W. T. Rice predicts breakthroughs in new products, services as a result of applied research in the next 10 years. He is bullish about over-all outlook for short-term.

east Asia. Capital spending by corporations—generally projected at \$53 billion for the year—is seen as one of the strongest props to the present growth trend. But there are other staunch supports, including the well-heeled condition of the average American consumer.

"The upward trend over the past several years will hardly reverse itself in the absence of some unforeseen radical development," states Atlantic Coast Line Railroad Co. President W. T. Rice.

Many endorse this "head of steam" philosophy, including J. B. Lanterman, president of Amsted Industries, Inc., a diversified manufacturing company, and Donald S. Bittinger, president of Washington Gas Light Co.

Among the relatively few executives predicting a leveling trend for general business, the comments of Lewis H. Bond, president of The Fort Worth National Bank, are noteworthy. Mr. Bond believes that "high interest rates, the shortage of lendable funds and the possibility of tax increases" will combine to slow down the expansion in business which began in 1961.

Many key decision-makers in business, industry and finance—including Fort Worth's Mr. Bond—simply fail to see how the nation can continue to spend out of both pockets for an escalating war in Viet Nam and the many-splintered thing that has become President Johnson's Great Society.

C. L. Huston, Jr., president of Lukens Steel Co., warns that these

two pressures—military and domestic federal spending—add to an already high level of business activity and thus threaten "imbalances in the economy, such as inflationary pressures, shortage of capacity and scare buying." To blunt the inflation threat, Mr. Huston urges greater use by government of fiscal restraints, "such as reducing unnecessary government spending and increasing selective taxes, as required, instead of relying solely on restrictive monetary policies."

Comments on the Administration's wage-price guideposts range from the mildly approving to the acidly disapproving.

One businessman, for example, scribbled in the tart query, "What guideposts?"

"Guideposts would be all right if they were applied in an even-handed manner," says J. Ward Keener, president and chief executive officer of the B. F. Goodrich Co., "but otherwise, not." His view is shared by many; not infrequently, the opinions stated make it plain that many businessmen look upon the guideposts as little more than a cynical exercise by the Administration.

"The guideposts seem only to apply to corporations," notes John W. Humphrey of Philip Carey Manufacturing Co. "Labor is not held in line and politicians still play politics and not good economics." Mr. Humphrey also questions whether the guideposts can "intelligently" apply to all industries. But there are other executives who ar-

gue that the chief weakness of the guideposts is that they do not cover enough industries even now.

"Enforce the guideposts honestly," urges William G. Laffer, president of Clevite Corp., manufacturers of automotive parts and components. Mr. Laffer was one of those who said he favors the guideposts, at least in theory.

Richard H. Rich, chairman of the board of Rich's, Inc., Atlanta, department store operators, says: "I am on the fence about wage-price guideposts from Washington. The free enterprise system has operated most effectively over the years. The caution that must be observed involves increasing wages faster than productivity can increase. Business needs to have confidence in the future that it can expect proper rewards for efficiency and progress, instead of restraint and penalties for progress."

Some executives couple their attacks on the guideposts with suggestions for alternate courses of action. These include cuts in non-military federal spending, a major curtailment of foreign aid, increases in individual and corporate income taxes, enactment, if necessary, of wage-price legislation.

But other factors vied for top billing when a similar question concerning company problems was asked.

Controlling costs, finding and developing competent employees, adjusting to market changes, keeping abreast of technology and making major decisions against the uncertainties of the present international situation are among the problems mentioned with high frequency.

Developing management teams adequate to the growth challenges of a high-octane economy is a prime worry for many presidents. An airline executive cites "intense competition" as his biggest headache.

R. W. Galvin, chairman of Motorola, Inc., emphasizes the need for quality management that many companies are facing at present. (His own choice of the biggest problems facing America on the economic front: "Labor shortages, materials shortages, inflation.")

Seventy per cent of the business leaders polled say their companies are feeling a manpower pinch now, and some blame Viet Nam for it. Most indicate that they are trying to offset shortages through intensified recruiting, by upgrading skills of people already on their payrolls, by boosting pay checks and by more aggressive advertising for new

(continued on page 130)

WHAT MORE INFLATION WOULD DO TO YOU

The biggest economic unknown of 1966 is: How much inflation will we have?

And, more personally, how will it affect you and your business?

To take inflation out of the textbooks and put it into checkbook terms, *NATION'S BUSINESS* consulted its economic analysts and some noted economists for a timely preview.

The fact is business, and even stockholders, will be among those hurt most by inflation.

Inflation, of course, has already arrived. Broadly speaking, inflation is rising costs. Living costs rose two per cent on the government's scale last year—almost twice the 1964 increase—and headed up at an even steeper rate in the first months of this year.

Even more significantly, the costs of goods that manufacturers and other businessmen buy—wholesale and raw materials prices—are climbing still faster. They almost invariably precede and forecast increases in living costs.

Economists are steadily stepping up their forecasts of the 1966 rise. The lowest figure generally discussed is a two per cent climb. It's widely agreed that a further boost in spending on the Viet Nam War could quickly push the nation into a four per cent inflation.

Here's what that would mean.

To you, personally

Whether well—or not-so-well—off, you would have to spend more for everyday living and have less left for savings or nonessential spending. Total day-to-day living costs would go up as shown in the chart on the next page.

The so-called average family—or average customer—with income of about \$6,500 a year would pay some \$230 more for purchased goods and services. Families of businessmen and others with higher income

would be forced to spend even more as shown in the breakdown of major spending items on the next page.

A four per cent rise in living costs would not mean a four per cent across-the-board rise in prices for all items, of course. The increase would vary depending on materials and labor costs in specific industries, the competitive situation and other factors.

During the most recent period of concern about instant inflation, for example in the early months of the Korean War prices rose an average of 4.2 per cent between May and November 1950. But gas and electricity prices dropped 0.3 per cent, rent rose only 1.5 per cent, clothing rose 5.3 per cent and food climbed 4.6 per cent. Among the food items, hamburger rose 11.3 per cent, canned peaches 20.3 per cent and bread 4.7 per cent while pork chops dropped 7.4 per cent.

What consumers would do

Consumers might well halt big-ticket buying, meaning bad news for merchants.

Dr. George Katona of the University of Michigan, one of the nation's experts on consumer behavior, says the consumer's reaction to inflation depends on how aware he is of what's happening.

"When they are aware of inflation, they don't buy. It is the reverse of hoarding," Dr. Katona told *NATION'S BUSINESS*. Awareness depends more on the price trends in such emotionally significant items as meat, other food and cars than it does on the precise percentage increase—such as four per cent—in the consumer price index.

Wages up

Upward spiraling wages which are one of the main reasons for today's fears of inflation would almost immediately climb even higher.

Wages of 2.5 million workers, principally in the

Day-to-day living will cost more

Families earning this much— —will have to spend this much more each year

\$25,000 a year \$550

\$10,000 \$300

\$ 5,000 \$180

Retired person with

\$ 3,000 \$110

Where your employees and customers would have to spend more

"Average family" income of \$6,500

Food	Up \$50 a year
Housing, home furnishings and household operation	75
Clothing and shoes	25
Medical care	15
Autos and other transportation	35
Recreation	10
Tobacco and alcoholic beverages	5
Other consumer spending	15

auto, auto parts, farm equipment, aerospace, meat packing and trucking industries, are geared directly to the consumer price index. Wage increases would vary among industries, but typical is the automotive industry, where wages would rise 18 cents an hour next year, mainly because of the price increase, if we had a four per cent inflation. The price increase would also be a major upward pressure in the bargaining of millions of other workers without formal escalation provisions.

Tough on business

"The real people to be hurt would be industries," warns Dr. Arthur Upgren, a noted economist at Macalester College, St. Paul, Minn. He says studies show firms only rarely make up in receipts from increased prices for the additional costs imposed by higher wages and higher prices for raw materials or wholesale products.

Not even stockholders safe

Contrary to a widespread belief, inflation isn't even good for stockholders, says Dr. Upgren. "Too many people have it wrong." Figures show that prices of common stocks rise slower during a period of steep inflation than during years of relatively stable retail prices, he reports. Dr. Upgren cites a General Electric Co. annual report which states:

"Owners of common stocks are not immune from effects of inflation. Although ownership of common stocks is generally regarded as one of the effective hedges against inflation, no savings program can be absolutely immune from the forces that disrupt the structure of the economy and shareowners should be aware of the possible detrimental long-term effects of inflation on their investment.

"For example, the market prices of stocks in the long run are based largely on the present and antici-

pated earning power of companies. If costs rise faster than they may be offset either by increased productivity or by customers accepting higher selling prices, earnings will decrease—and so generally will the relative price of the stock."

Credit? Tighter

Businessmen would also suffer from a further constriction of the already tight supply of credit if prices climbed by a four per cent rate.

"It would mean terrific demands for credit," points out Dr. Roy L. Reiersen, senior vice president of Banker Trust Co., New York. He asserts the economy is already in an overheated, inflationary buildup.

Prospects of further price increases could start a faster buildup of inventories by businesses, thereby bringing massive new demands for loans on the banking system. This would bring strong additional pressure for higher interest rates, an important extra cost for businessmen, economists point out.

How Uncle Sam fares

Ironically, Uncle Sam's bankbook would fare quite well from a four per cent inflation—in the short term, anyway.

A four per cent inflation would bring in additional tax revenue faster than it would swell costs of the things the government buys. The Administration figured an inflation of approximately two per cent into its budget calculations for the coming 1967 fiscal year. This includes purchases of \$74.4 billion of goods and services.

An income tax increase talked of as an antidote to inflation would bring in even more funds. A one percentage point across-the-board increase in individual income taxes would cost the average family with \$6,300 income about \$35 extra a year. **END**

LET'S GIVE BUSINESS A SQUARE DEAL

BY RICHARD M. NIXON

PHOTO BY GAN MCCOY • BLACK STAR



The former Vice President, in this exclusive article, proposes an anti-inflationary alternative to the Johnson Administration's wage-price guidelines, which he says violate our rights to "commercial due process of law"

The constitutional guarantees of due process of law have an analogue in the business field—which I like to call "commercial due process." It is found in the framework of statutes, regulations, executive orders, policy statements and decisions to which a lawyer refers when counseling a business client.

Although procedures may vary greatly in the many different areas of government activity, a businessman can usually expect to be put on notice of the procedures to be followed by government; to know of the sanctions which government will impose if specified procedures are not followed; and to have an opportunity to be heard before any sanction is imposed. The essence of commercial due process may be described in the same terms as Supreme Court Justice Felix Frankfurter once used to describe constitutional due process—one has a right to expect "fair play" when dealing with the government.

The guidelines or guideposts enunciated originally by the President's Council of Economic Advisers in 1962, as they are presently being applied, do great violence to commercial due process. If they continue to be applied in the future as they have been in 1965 and in recent months, they may even transgress the bounds of constitutional due process. One prominent economist has already predicted that the guidelines may, "under the pressure of events, move our nation's economy in an authoritarian direction." Another has warned of "government by threat, fear or club."

How due process protects

In order to appreciate fully the perplexities caused the businessman by the Johnsonian application of guidelines, it might be well first to review how constitutional due process operates in the normal federal regulatory scheme:

Before a regulatory policy is enacted or adopted, a proposal is made by the President or a prominent legislator or group of citizens. This proposal may be debated for months or years. It may never go

beyond the debate stage. At some point, however, the public enthusiasm for the proposal may lead to presentation of a bill in Congress. Here, the debate continues, often with great publicity. Hearings may be held and the many viewpoints on the measure are, again, subject to close public scrutiny. After passage by the Congress, the bill must be signed into law by the President. In many instances, the legislation establishes an agency to administer the new law. And the agency in turn promulgates its own regulations to implement the broader statutory direction.

The point is that the businessman who is to be regulated has a number of opportunities to make his opinion known prior to the establishment of the administrative agency. Nor does his opportunity to be heard end there. After the agency has been established, the businessman may appear at the agency's rule-making hearings to present his views. If he is aggrieved by the regulations enforced by the agency, he may again appear before that body in a hearing to present his case. And he may appeal an adverse decision through the courts.

The federal Constitution guarantees that he shall be accorded due process of law. If the businessman's lawyer counsels him not to risk infraction of a vague regulation of the agency, the businessman may often apply for a ruling or declaratory order before he embarks upon a course of conduct. And here again, an arbitrary decision, one that goes beyond the powers of the agency, or is contrary to law, can be appealed in the courts.

The standard of commercial due process pertains in instances of less formal exercises of governmental power, such as the guidelines. Here, too, we have a right to expect fair play from the government—including the elements of notice, full disclosure and fair treatment for all. But the guidelines, as presently applied, disregard commercial due process. They not only deprive those covered of any element of certainty upon which to base their

plans, but fail to provide a means of obtaining certainty as well.

Where guidelines go wrong

There are four areas in which the present application of the guidelines violates commercial due process:

1. **Coercion.** The guidelines, although they have none of the safeguards normally attached to statutes or regulations as described above, are being applied as though they incorporated statutory or regulatory sanctions. Thus, Defense Secretary McNamara's announcement regarding the dumping of stockpiled aluminum, at the time when the Administration was demanding that the aluminum industry withdraw price advances in excess of the guidelines, was as forceful a punishment as one might conceive. This was, of course, a marked change in the original concept of the guidelines as "voluntary" guideposts upon which to base wage-price determinations.

2. **Changing rules.** AFL-CIO President George Meany has charged that the Council of Economic Advisers has changed the rules for the formulation of the guideposts in the middle of the regulatory process. By keeping the guideposts at 3.2 per cent, rather than raising them to 3.6 per cent, he maintains, the Council has abandoned the five-year trend rate of productivity gains originally used as the basis for computing the guideposts. Mr. Meany asks:

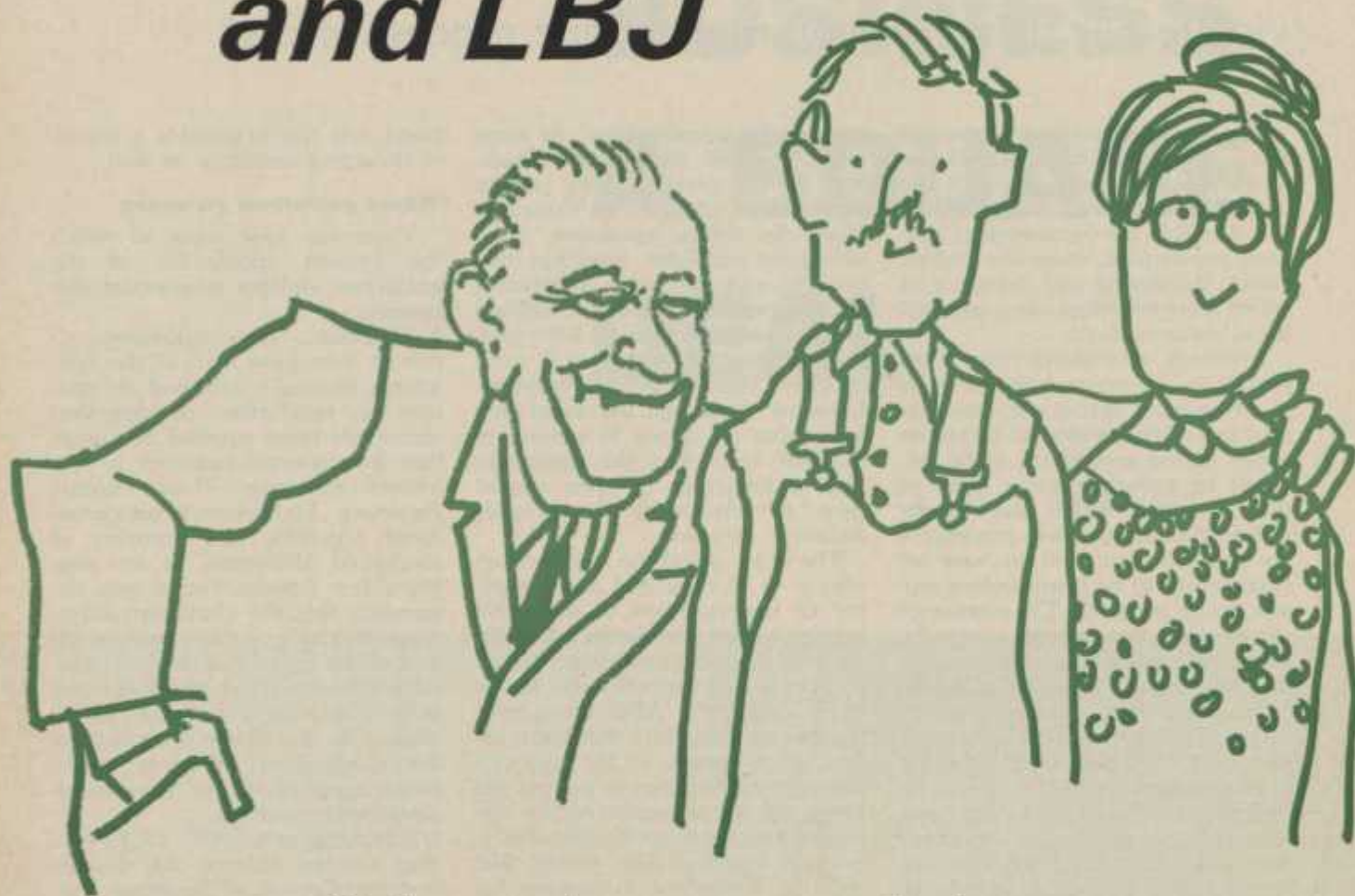
"How can union leaders . . . be expected to accept such sudden and one-sided revision of the method of arriving at the wage guidelines? And how can the public accept the credibility of such shifting methods?"

Basic to commercial due process is the principle that rules are changed only upon notice to the parties affected and where an undue hardship does not result because of such change of rules in the middle of the game.

3. **Lack of candor.** George Meany has not been the only one to ex-

(continued on page 60)

Pa and Ma and LBJ



Or how to become a casualty in
the government's war on poverty

Pa had no sooner climbed out of the truck which he'd thumbed a ride in when he hollered at Ma to get him the foreign country map and find out where Poverty was as President Johnson had just declared war on that country and expected every man to do his duty, and Pa was

preparing to do his but he wanted to know where the place was and how to get there.

Fiddlin' Clyde, who sat in the parlor a-strumming his guitar, quit humming the song he had just composed called "I Left My Baby Depressed in the Mountains," or "I Want to Hold Your Handout." He allowed Ma needn't worry none about no geography because he knew where Poverty was. It was in Kentucky. He knew because he heard the Great Society social worker say if anybody wanted to find Poverty in West Virginia, they ought to have a look in Kentucky first. Fiddlin' Clyde ain't called Fiddlin' Clyde because he plays the fiddle but because he fiddles around

with the guitar. And he always makes songs about what Pa is thinking about.

Pa took a swig of his sassafras julep and wiped his mouth with his sleeve and said he figured it was a fur piece wherever it was. Then he said for Ma to bring his mountain rifle that hung on the laurel pegs over the door. She brought it, and he took it in his hands, and said to Fiddlin' Clyde:

"When you hold yer gun to shoot in Johnson's war on the people from Poverty, stand thissaway sidewise so you won't be as apt to git shot." He stood sidewise in the door, tippy-toe and gallant, and I felt so prideful at his military bearing and I said to Pa that I wished I could go away

The backwoods satire of Jim Comstock, editor of the West Virginia Hillbilly and popular public speaker, is as pungent and incisive as anything being written about politics and society's problems. This article is adapted from Mr. Comstock's book, "Pa and Ma and Mister Kennedy," published by Appalachia Press, Richwood, W. Va.

and fight. Pa took a drink of sassafras and said real sad, "Son, this'n is a man's war. Yer place is home with yer Ma and Pa, while Fiddlin' Clyde goes off to fit."

Fiddlin' Clyde said, "Pa, this war on Poverty is fer the birds. . . ."

And he didn't get finished, because Pa interrupted him and said, "Yes, son, hit is fer sure. Hit is fer Harry Byrd, and Robert Byrd and Lady Bird. It is a poor man's war and a rich man's fight, or is it the other way around? I allus fergit which."

Fiddlin' Clyde said he didn't give a dern which it was, he wasn't going to fight in no more wars, and Fiddlin' Clyde's wife said she seconded the emotion because Spider Webb was in the Viet Nam War and his allotment wouldn't support his wife if she didn't get free commodities, doctor bills and hot lunch.

Well, I never saw Pa take nothing so hard as this. He just sat there like he was killed.

"Jest to think, here's my own flesh and blood who won't be one of Johnson's proud foot soldiers, an' my flesh and blood's own rib that should be happy to be one of Johnson's WAC's is raisin' her hand agin it. Bring up a chile the way it should go and when it gets old it will vote Republican if you ain't awful kirful," he said, and he said it so sad, it just about made me want to take a gun and shoot every danged Poverty man alive.

Then Ma said to Pa, and the way she said it I knew I was going to wish she didn't, because I saw that look in her eye and I saw Pa cringe because he saw it too. She said:

"Pa, I got news for you. This war ain't the kind of war you think it is. And Poverty ain't no country, but is what you air, or what you ain't got really, because it is poor people."

Well, Pa was hurt, and I knew he wasn't hurt at Ma, but at the President of the United States. The solemn agony on his face was something to render your soul and I turned away my head because it was the agony of one who had lost faith in his leader.

"You mean President Johnson is goin' to make war on the poor people? You mean them that don't

have nothing is goin' to have it took away like the Bible says, and all of them is goin' to be killed? Tell me, woman, that you don't mean that! Re-firm my faith in my country, woman, and tell me that our hearts ain't turned to stone!"

Ma saw his deep and abiding suffering and she told him low and quiet like, "Pa, that great man Johnson has a heart. In fact he has two hearts. One is great big like a mustard seed and the other'n is a little littler—like Bobby Baker's modesty. I heered all about it from the Girls Who Do, which is a branch of the West Virginia Federation of Wimmen's Clubs, the branch that don't meet at no Greenbrier every year. They was a woman there who said that Johnson was going to do somethin' for poor people who are impoverished and was goin' to rid the country of poverty." And she wiped something out of her eye with the dress of Fiddlin' Clyde's and Fiddlin' Clyde's wife's new baby, Baby Bird, which she was holding.

Pa on the soapbox

Well, that done it for Pa. It re-firmed and updated his faith in our great President. He took another swig of the juice and he said for Ma to blow out the lamp like Johnson does in the White House, and he took off his pants because he said that was going Johnson one better because he was not only saving lamp oil but his crease, too, and it didn't matter as long as he wasn't seen. Then he jumped up on the soapbox which he always keeps for sacred times like this and he made a speech that ought to be engraved on every heart in this land and printed in the books.

"Let us all praise this great man. Let all of us fortunate people, what has everything like us, who gits our commodities free, and who gits a hot lunch fer our kids in school and a bus to take 'em there and bring 'em back, join with our great President in he'pin' the people who ain't got it so good as us. Let us, who have free doctor bills, and free tooth dentist bills, and free hospital bills and git a reasonable pay fer our votes, and git hauled to the polls, remember the impoverished people

who has to work on their jobs and pay it all out in taxes and who don't get the fringe benefits of not workin' on steady jobs.

"Let us all join in and fit this war on poverty and he'p the depressed school teachers, and depressed office workers, and depressed and impoverished businessmen who don't git paid fer keepin' books fer the internal revenue people, and who have to pay employees who ain't still workin' fer 'em, and who have to pay half their social security fer them if they are. Let us not just fight fer the underprivileged, but fer the mentally retarded who don't know how to vote so's to git government jobs and don't know of the free things waitin' fer them in a free country like this'n."

Oh, there never was anything so solemn. And then he said something that capped it all.

"And may we be thankful that we ain't poor and depressed like them people in Washington and in the New York slums, and down in the hills of Kentucky. And, Mr. Johnson, you can count on all of us West Virginia fortunates to help you fit the war on poverty so everybody can be as well off as us in these everlasting hills."

So Pa decided to do what he could to help. That's why the Professor came over. He was the one who advised Pa to do it. I'll never forget his words:

"Accept it, old man, accept it. President Johnson wants a man to head this war on poverty in Commodity Ridge precinct and he knew that he needed a staunch man who had been through it all. Who would know poverty's pinch more than you, sir? If he had wanted men who could read, he would find plenty of them in Washington. Or Harvard. Or possibly in Texas. But he doesn't need the intelligentsia for this job. President Johnson isn't the Ford Foundation. He's the government. He doesn't need brains."

Then he took a drink right fast, and Pa just glowed with pride. And Fiddlin' Clyde played a little song he wrote for the occasion called "Readin' and Writin' Is Nothin' but Rot, All Anybody Needs Is an X for the Spot."

(continued on page 64)

BUSINESS: A LOOK AHEAD

Search for substitutes

(Construction)

\$3.5 billion gap

(Credit & Finance)

Selling the unreachable

(Marketing)

AGRICULTURE

Chicken growers are getting organized.

Growers mainly in Georgia, Alabama, the Carolinas and most recently Arkansas—with capacity of well over 100 million birds a year—have signed up with affiliates of state farm bureaus.

Objective is distribution of marketing information and arranging prices between growers and suppliers of feed and chicks on one hand and processors on the other.

American Farm Bureau Federation describes organizing drive as biggest project yet in fostering voluntary producer organizations to deal with customers and suppliers.

Some 25 state marketing organizations are in existence, mainly involving producers of fruits and vegetables for processing. Spokesmen call progress solid but unspectacular.

The approach: "If you're going to replace government programs with a market system, you have to develop a mechanism for the farmer to take advantage of the system." Idea is to insure that grower gets full market price rather than to raise market price.

Some processors feel system promotes stability; others oppose any organization of producers.

Any commodity sold to a pro-

cessor rather than to other farmers lends itself to this type of organization, says Farm Bureau. "Livestock, poultry and dairy products are areas that could be organized if people want to."

Organizers hope to avoid the mistakes of the 1920's when similar efforts went too far too fast. And they avoid coercive tactics of National Farmers Organization which seeks to raise prices by withholding products from the market.

CONSTRUCTION

Shortage-induced increases in copper prices heighten interest in substitutes.

"I wouldn't doubt that there's some substituting going on right now," observes government expert, noting that prices now range from 36 cents to 70 cents per pound depending on source, as against 32 cents in 1963.

Washington watcher of water industry developments adds that increased use of plastic pipe between homes and street mains, for example, seems "more and more likely."

CREDIT & FINANCE

Potential home buyers are creating a demand for \$3.5 billion that isn't there.

"Net new mortgage debt, if we were to have a healthy competitive

situation in 1966, might rise by around \$16-\$17 billion," reports economic consultant Robinson Newcomb in a study for the National League of Insured Savings Associations.

Yet, he says, total supply from all mortgage sources—savings and loans, mutual savings banks, insurance companies, banks and others—will total only \$13.5 billion.

Lower-cost housing will be hit hard. This is because of restrictions on savings and loans. And they make loans on four out of five homes costing \$15,000 or less.

Problem here is Federal Home Loan Bank Board, which prescribes stiff reserve requirement, limits interest paid S&L depositors and prohibits associations from borrowing funds on the open market.

Meanwhile, housing demand from now to 1970 will exceed that of period from 1960-1965. S&L sources say they aren't worried about growth. "We just want to keep our heads above water."

FOREIGN TRADE

New program to promote exports shows real promise.

"We've lit a spark around here somewhere," says J. Edward Meyer, Jr., assistant vice president of Grace Lines, Inc., a member of the Committee of American Steamship Lines which sponsors the program.

He told Nation's Business that 500 inquiries from potential exporters were on his desk at one point recently.

Main result to date is volume of inquiries, although some sales are attributable to program and others seem lined up. President of one Akron firm went to Guatemala and Ecuador recently to clinch deals.

The 14 member Committee kicked off its program in November, attempting to put American manufacturers in touch with potential buyers through 1,300 domestic and overseas marketing specialists.

Targets are manufacturers with little or no export market, and those dealing in one area of the world



(See Credit & Finance)

and wishing to sell elsewhere. Committee's efforts now consist of mailings to manufacturers and series of seven workshops to be held this year.

Program is headed by Robert W. Barnie, former deputy coordinator of export expansion in Commerce Department.

MARKETING

Advertise your products in saloons? Tack posters on phone poles? This may be the only way to reach consumer market worth developing, says Federal Office of Economic Opportunity.

Experts in government's war on poverty concede that advertisers exert a powerful pull through established media—with consumers the media reach. But poverty-stricken slum dwellers don't get reached.

Yet the poor aren't penniless. They do buy. And they're buying more as booming economy reduces unemployment. Or as poor youngster emerges from a Job Corps camp as a \$3.50 an hour welder.

Many who are now poor approach marketplace with primitive consumer attitudes, offering a challenge to innovators in merchandising. OEO says some local businesses cooperative with local antipoverty workers, helping poor consumers stretch scarce dollars but that more are needed.

It's a tough communications prob-

lem. Promoters of job training programs learned years ago that publicity through normal channels failed to reach those in need. So they sought unemployed in gin mills, their wives through churches.

MANUFACTURING

Sharp reduction in time needed to manufacture steel may be only a few years away.

"Lots of companies are looking ahead to the time when steelmaking will have little resemblance to what it is now," observes industry source.

Most steel is manufactured in traditional, time-consuming steps involving combination of raw materials in blast furnaces, refinement in open hearths, pouring into ingots and forming into slabs.

Open-hearth refining already is being speeded by process whereby air used for heating and purification is replaced by high-pressure jets of pure oxygen. And continuous casting directly into slabs is being introduced.

But sources confide that it may not be too long before companies develop way to make steel in one continuous process taking a few hours.

NATURAL RESOURCES

Despite setbacks and delays, the idea of nuclear explosions for ex-

tracting minerals and natural gas offers industry prospects for breakthroughs.

Atomic Energy Commission, though denied government funds this year, hopes eventually to undertake experiment with Bureau of Mines and El Paso Natural Gas Co. to see whether underground detonations can release concentrations of gas now locked in solid rock.

Another company, Columbia Gas System Service Corp., is involved in studies of explosion to create giant storage cavities for gas needed during peak demand.

In hopes of developing low-grade deposits, Kennecott Copper Corp. and government agencies are studying possibilities of nuclear blasts to break up ore, to which chemicals would be applied to extract copper content.

Nuclear explosions also have potential for "block cave" mining, wherein tunnels to the blast site give cars access to remove fragmented ore. AEC has run experiments at its Nevada test site and extracted granite by this method.

Other possibilities for nuclear applications include use of the heat and fragmentation effects of explosions to extract oil from oil shale.

TRANSPORTATION

The entire transportation industry eventually will be affected by new procedures being put into effect this month by the Defense Department.

DOD, world's largest shipper, is adopting recommendations of National Defense Transportation Association for shortening, simplifying and standardizing shipping documentation, improved controls and better use of automatic data processing.

"It will be a trailblazer type of thing," notes an NDTA official. "Right now we've got the worst kind of hodgepodge imaginable."

Improvements, including electronic data processing, are being applied increasingly in transportation industry. But industry experts figure DOD's action will give a boost toward uniformity needed for greatest efficiency.

LABOR BOARD GAGS YOUR FREEDOM OF SPEECH

A basic right has quietly been stifled,
giving new strength to union organizers



JOSEPH ALTON JENKINS, the author, is a prominent Dallas attorney, and a former member of the National Labor Relations Board (NLRB) as well as an expert on labor law.

He was an NLRB board member from 1957 to 1961. He served earlier with the National Wage Stabilization Board (1951-53) and as an NLRB attorney (1948-51).

This article, as edited by NATION'S BUSINESS, is one of many he has written on the NLRB and on labor legislation.

It seems unbelievable today when the nation is going to great lengths to assure full civil rights for all its citizens that one of the most fundamental of those rights—freedom of speech—is being undercut for businessmen.

Yet that's what the National Labor Relations Board (NLRB) is doing, not only to businessmen but to anyone who hires workers. The action quietly parallels union offi-

cials' grab for more power by repeal of the right-to-work law. It could force companies out of business in none too extreme cases.

These are the important questions involving an employer's right of free speech that are brought into sharp focus by recent Labor Board decisions:

- May an employer, during a union organizational campaign, tell his employees the truth about the legal relationship which will exist if the employees select the union to bargain for them?

- May the employer also tell them truthfully what his legal rights will be in that case and of his honest intention to use those rights?

Today's NLRB says he may not. Federal courts, topped by the United States Supreme Court, are now being asked to decide if the NLRB is correct. What the courts rule will be of major importance to business and citizens in general in future years.

Ironically, this latest NLRB attack on employers' freedom of speech comes despite clear congressional action aimed at eliminating similar restrictions imposed on management's rights by the NLRB in 1935. Those restrictions were supposedly ended by the Taft-Hartley Act in 1947.

Yet, the current Board is setting out to make policy and to frustrate, rather than implement, the policy of Congress. The Board has set out to interpret the free-speech provi-

sion of the Taft-Hartley Act out of existence, and to return the law to the state it was in from 1935 to 1947.

Referee or lawmaker?

The NLRB is theoretically supposed to referee disputes over labor-management relations. Basically, it is supposed to make sure the rules set down by Congress are followed, rather than make the rules itself. But the present NLRB chooses to exercise powers it does not possess. This disposition, plus its failure to restrict itself to the role authorized by Congress, is fraught with great danger. The right of free speech is fundamental to our form of government, and every citizen should feel it his duty to see that this right is protected and preserved.

In order to understand what the Board is doing, take a capsule look at the development of the law on free speech for employers.

Congress passed the original National Labor Relations Act, popularly called the Wagner Act, in 1935. Twelve years later it amended this law by passing the Taft-Hartley Act. The Wagner Act did not contain any provision guaranteeing the right of free speech. The Taft-Hartley Act did.

From 1935 until 1947, employers were effectively muzzled by the NLRB. The Board said any intimation of the employer's wishes in regard to unions was coercive on the employees, not necessarily because

of what the employer said, but simply because he was the employer and they were employees. Thus any criticism of unions voiced by an employer to his employees was held illegal because it supposedly interfered with, restrained and coerced employees.

Then Congress responded to public clamor and tried to right things by passing the Taft-Hartley Act in 1947. In legal language, the law said in Section 8 (c):

"The expressing of any views, argument, or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under any of the provisions of this Act, if such expression contains no threat of reprisal or force or promise of benefit."

It was President Truman, oddly enough, who helped bring out ex-

even by labor union leaders. The bill simply provides that views, arguments or opinion shall not be evidence of an unfair labor practice unless they *contain in themselves* a threat of coercion or promise of benefit. Without these provisions there would be no freedom of speech on the part of employers any more than there has been for the past 10 years."

The law is clear, lucid and definite. Congress left to the NLRB the determination only of the factual question as to whether or not any statement contained in itself a threat of reprisal or promise of benefit. Congress did not authorize the Board to limit the right of free speech.

The Board did just that, however, with one member dissenting, in a recent case involving the Herman Wilson Lumber Co. of Monticello, Ark.

- In an economic strike, the employer is free to replace the strikers with other workers hired on a permanent basis.

- In an unfair labor practice strike, the employer does not have the right to fill the jobs of the strikers permanently. The strikers may return to work upon application to the employer.

- The employer must bargain in good faith with any union named by the workers as their bargaining representative. He must enter into the negotiations with the intent of reaching an agreement. His mind must not be sealed against any accommodation with the union. He may not "shadowbox the union to a draw." But the law doesn't compel either the employer or the union to agree to a proposal or make a concession. An employer is entitled to engage in hard bargaining as a matter of statutory right.

In the Wilson case, a union tried to organize the workers so as to bargain for them. During the campaign the company distributed three handbills and an official made three speeches. The company told the employees, in substance:

We do not think the union is good for you or the company. If the union comes in, we will bargain hard with it; we will bargain cold with it. But the only way the union can force us to do anything we are unwilling to do is to call an economic strike. In that case, we are free to replace you and that's what we will do if that is what it takes to keep this mill operating.

The union complained to the NLRB, and it ordered a hearing. The Board then endorsed the finding of its trial examiner who ruled the company's statements "created the impression of the inevitability of a strike if the employees selected the union as their bargaining agent, and warned of the dire consequences of such strike as to job tenure."

The Board's sole dissenter, however, said the company "did no more . . . than tell the employees that union demands would be resisted by 'hard bargaining'; and that if the union resorted to an economic strike to enforce its demands, (the employer) could exercise its lawful right to replace the strikers, and then the strikers would lose their jobs." The company, he concluded, acted within the law.

Gagging the boss

Thus the NLRB now holds that



President H. L. Wilson, Jr., of Wilson Lumber Co. learned that free speech isn't so free when the NLRB cracked down on his company for criticizing a union.

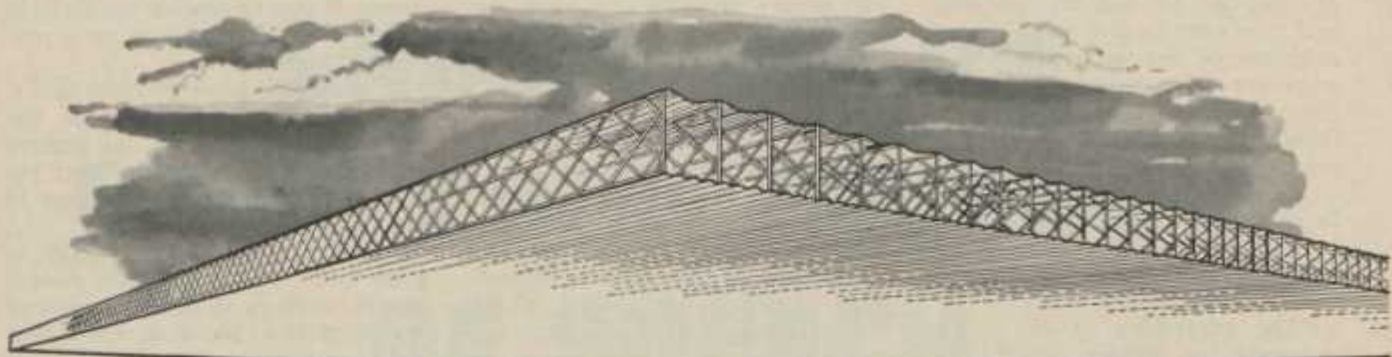
actly what Congress meant by this. He vetoed the Taft-Hartley Act. And in debate, before Congress passed the act over the veto, Sen. Robert A. Taft, the Ohio Republican who led the writing of the bill, had this to say about the free-speech provision:

"The President attacks the provision giving freedom of speech to employers. The need for such a provision was the one thing admitted

Bear in mind some basic principles of labor law which are established beyond dispute, although not necessarily spelled out in acts of Congress:

- All strikes are divided into two broad categories—economic strikes, over wages, hours, working conditions or other conditions of employment; and unfair labor practice strikes, over some alleged unfair labor practice by an employer.

THIS UNIQUE ROOF SYSTEM



gave the owners of these buildings more for their money!



This supermarket has customer appealing front—room for wide aisles inside. Clear span **Dubl-Panl** roof is 90' x 110'.

More what? More clear span space for one thing. These buildings are constructed with Behlen's revolutionary stressed skin design. This exclusive building system makes possible clear span widths up to 300'!

The secret is the roof system—called the Behlen **Dubl-Panl**. It is composed of a separate roof and ceiling "skin" connected by a light-weight strut system. The bolted steel roof is weather-tight and nearly maintenance free. No built-up decking. The ceiling is enclosed, easy to insulate and so strong you can walk on it . . . a neat, clean, economical way to plan almost any type of structure.

More clear span space, a finished roof and ceiling, greater flexibility of design . . . these are just a few of the advantages Behlen stressed skin construction can provide for your new building. Write today for complete facts about a Behlen roof or walls.



This drug firm warehouse has wide, clear spans for efficient warehousing. **Dubl-Panl** roof is 188' x 234'.



This university gymnasium shows how Behlen panels combine beautifully with masonry. Clear span **Dubl-Panl** roof is 109' x 210'.



BEHLEN
MANUFACTURING COMPANY
Columbus, Nebraska
Building Division, Dept. 2

Send fact file on Behlen Building System for
☐ Factory ☐ Warehouse ☐ Commercial Bldg.
☐ Public Assembly Bldg. ☐ Have Sales Engineer call for appointment

Name _____
Firm _____
Address _____
City _____ State _____ Zip _____

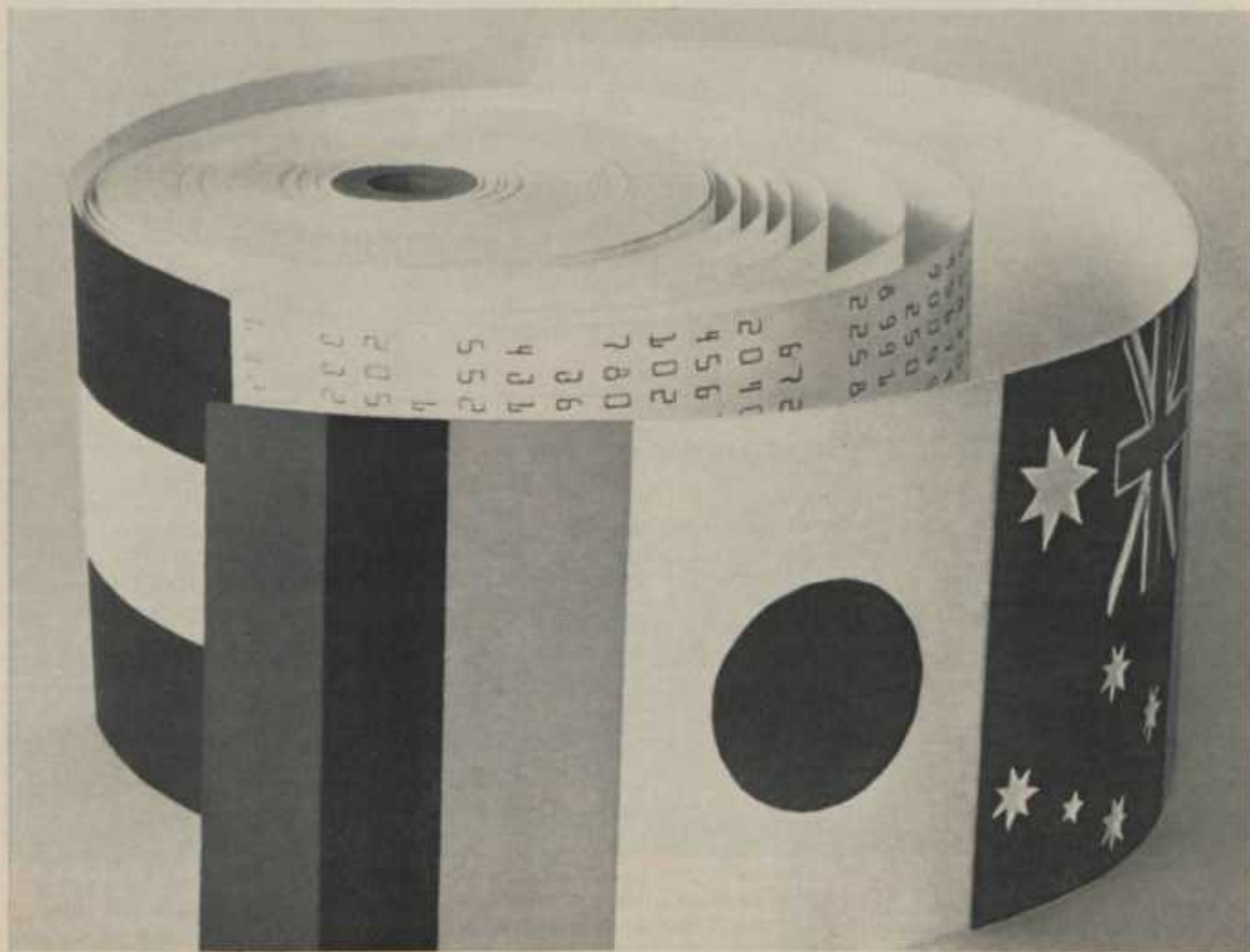
**A bank statement in Japan,
inventory records in Colombia,
insurance billing in Australia...**

That's us all over.

All over the free world, helping to meet the basic needs of businesses small and large everywhere. One thousand and thirty three NCR offices in one hundred and twenty one countries outside the continental United States. Factories all over. And data processing centers. If

you're over there too—or considering an overseas expansion—it's something to think of. Procedural standardization alone makes it worth considering NCR for your data handling equipment (your Calcutta adding machine speaking the same equipment language of your New

York computer, for example). And maintenance is usually a local telephone call away. If your business does not go beyond our shores it's still nice to know that NCR brings a whole world of experience to bear on your business systems problems and needs.



N C R

THE NATIONAL CASH REGISTER CO.

®



DAYTON, OHIO 45409

LABOR BOARD

continued

it is illegal for an employer to make truthful statements which correctly state the law and to announce truthfully that he intends to exercise his perfectly valid legal rights—even though the statements don't contain in themselves any threat of reprisal or promise of benefit.

The U.S. Court of Appeals recently threw out the Board's ruling, with this comment:

"Clearly, respondent had the right to resort to lawful means in seeking to defeat the union in the election. As a necessary corollary, respondent was privileged to announce that it intended to avail itself of that right. . . .

"The conclusion is inescapable that the truthful utterances, protected, as they are, by the First Amendment to the Constitution and authorized by Section 8(c), were improperly interpreted by the trial examiner and a majority of the Board as a basis for authorizing an unfavorable inference. . . ."

However, this decision does not necessarily write finis to the Board's high-handed attempt to rewrite the nation's labor laws. The case may well be appealed to the U.S. Supreme Court.

This is legislative action by the Board with a vengeance. The NLRB has arrogated to itself the legislative powers of Congress. By its own say-so it is seeking to return us to the days of 1935 to 1947 and to deny employers the right to free speech.

This isn't 1935 or 1947. It is 1966. Employers supposedly have the right of free speech. The law says so. The Board, by decision, now seeks to take away that right, and its action is cause for alarm.

In unfair labor practice cases, the Board is primarily a quasi-judicial tribunal.

Some courts have found it necessary to instruct the Board as to the meaning of free speech.

One is the United States Court of Appeals for the Fifth Circuit, in New Orleans. It declared in a case involving Texas Industries, Inc. of Arlington, Tex.:

"It is well settled that . . . the employer must be regarded as a rightful contestant for his employee's loyalty in an election. This section permits an employer to state his legal rights under the [Taft-Hartley] Act and to predict that dire economic consequences will follow from a union victory. . . . It is

only when the employer goes further and threatens to himself take economic or other reprisals against the employees that . . . violation may be found. Thus, a prediction that competitive conditions will force a plant to close if a union contract is signed is protected, whereas a threat to close down in retaliation to unionization is beyond the pale. . . .

"By merely stating its legal rights under the [Taft-Hartley] Act and indicating that it might follow a course which the act clearly permits, the company may not be found to have threatened its employees. . . ."

Judicial admonitions have not had any appreciable or lasting effect, however, because it usually takes a Supreme Court decision to influence the Board. And the Supreme Court has not ruled. Unless an employer is prepared to litigate from trial examiner, to Board, to United States Courts of Appeal, his legal right to free speech will no longer be allowed.

This is particularly hard on a small employer. If he cannot afford the expense of fighting the case through courts, he must take the law as the Board says it is. Sometimes the effect may be disastrous.

Suppose, for example, an employ-

er makes a speech during a union organizing campaign. His statements do not, in themselves, contain any threat of reprisal or promise of benefit.

But, the Board holds that his statements created in the minds of his employees an impression of the inevitability of a strike.

Suppose the employees do strike.

The Board would say that such a strike was caused by the speech of the employer, that it was an unfair labor practice strike and that the employer had no right to hire replacements on a permanent basis.

All striking employees would be entitled to get their jobs back.

If the employer had hired permanent replacements, believing that his statements were legal, and did not take back the striking employees, he would be faced with a bill for back pay which could easily put him out of business.

Despite the costs, however, employers must be prepared to look to the courts if they wish to keep their right to express themselves on union matters. Otherwise the current National Labor Relations Board will take away from them their right of free speech. They will be as effectively muzzled—if not more so—as they were in the years from 1935 to 1947.

END

BUSINESS OPINION *continued from page 12*

To the Editor:

The February issue of NATION'S BUSINESS abounded with information illustrating the extent of government control over us today, and to some degree, the detrimental effects it has produced.

One may ask how it can be said that the effects have been damaging in view of the excellent economic progress made in this country since World War II.

Materially, the gains have been great—in spite of, not because of, government control.

Generally, our government is referred to as an interventionist government. However, any form of government control over an individual's attempt to earn for the betterment of his existence is statism.

And this is the situation we have today, a politico-economic system which is controlled by a statist government. The type or degree of control merely determines the degree of statism.

The answer to the question "Should Government Plan the Economy?" is an uncompromising No.

The goal of the present government should be quite clear—to strive for the attainment of a true free enterprise system, rather than bring our economy closer to total state control.

J. ROBERT OUTERBRIDGE
Los Angeles, Calif.

Raps "Keynesian quacks"

To the Editor:

Your editorials "The World Watches" and "Who's to Blame?" [February] are good. In fact, NATION'S BUSINESS is quite a magazine.

One thing I do not understand is why Keynesian quacks are called economists or politicians are called statesmen.

Jefferson, Madison, Jackson, Lincoln, Bryan and a few more were economists and statesmen. Today Douglas, Saulnier, Heller and Galbraith and such are called economists but in my opinion are merely Keynesian propagandists.

And the tax-spend spend-tax machine is apparently working day and night, year after year.

O. L. WILSON
Monmouth, Ill.

**Great
shape for
your fleet
to be in...**



'66 Dodge Coronet.

Here's a car that won't cramp a man's style—or a company's budget. '66 Dodge Coronet 500, top of the all-new Coronet line. Big, roomy and better-looking than ever. A car any firm can be proud to have its representatives drive. Coronet's roominess and comfort will keep your men in better shape during a day at the wheel.

Coronet's low initial cost will leave your ledger in fine shape, too. Coronet's operating economy will keep it that way. (Coronet, like all 1966 Dodges, travels 36,000 miles between major grease jobs. Most models come with a standard Slant Six engine that's known far and wide for giving more sass on less gas.)

When you're forming your 1966 fleet-buying plans, be sure to see how Coronet shapes up. Whether you purchase or lease, consider Coronet—and the other great '66 Dodges: Dart, Polara and Monaco.

DODGE DIVISION



CHRYSLER
MOTORS CORPORATION

'66 Dodge Coronet

When it comes to Copies...

REMEMBER



For

- Lowest Cost
- Highest Quality
- Fastest Speed
- Most Versatility

If you're interested in copying performance instead of promises, take a look at our line-up of equipment.

And there's more — depending on your copying problems and requirements. So, whatever your needs, call your Multigraph® man — he's in the Yellow Pages. Or write Addressograph Multigraph Corp., 1200 Babbitt Road, Cleveland, Ohio 44117.



Multigraph

DIVISION OF

ADDRESSOGRAPH MULTIGRAPH CORPORATION



MULTILITH® OFFSET 85 is the most versatile office offset duplicator in the low price field. Sheet sizes up to 9 3/4" x 14"; Speed: 5,400 IPH. **MULTILITH OFFSET 1000** meets a broad range of business communications and systems requirements. Sheet sizes up to 9 3/4" x 14"; Speed: 6,600 IPH.



MULTILITH OFFSET 2560A is ideal for duplicating insurance policy writing reports and records for production order writing, invoicing and purchasing. Accepts paper stock up to 140 lb./in sizes from 2 1/4" x 2 1/2" to 11" x 17". Single Lever Control. Speed: up to 9,000 IPH.



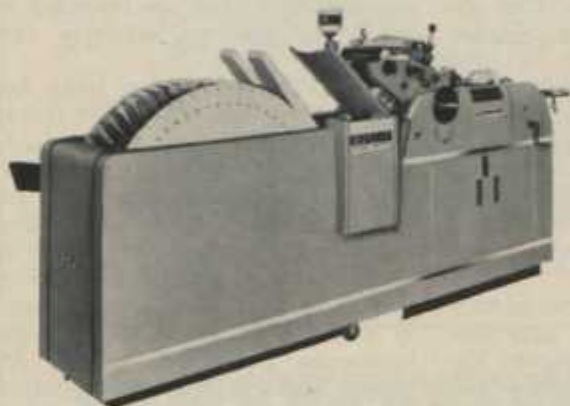
A-M PHOTO-DIRECT CAMERA PROCESSOR 705 produces high quality, ready-to-run offset masters in seconds. Produces handwritten, type-written, drawn, typeset, line or halftone artwork in same size, enlarged 150% or reduced 50%. Produces masters in sizes of 9" x 12", 10" x 15", 11" x 17" and 11" x 18". Adapter also available for film negative, Ektalith and xerography.



MULTILITH OFFSET 1250, new, improved model, is easier to operate than ever. Single Lever Control automatically sequences each operation from start to print. Sheet sizes up to 11" x 17". You go from blank paper to finished copies at speeds up to 150 per minute, 9,000 IPH.



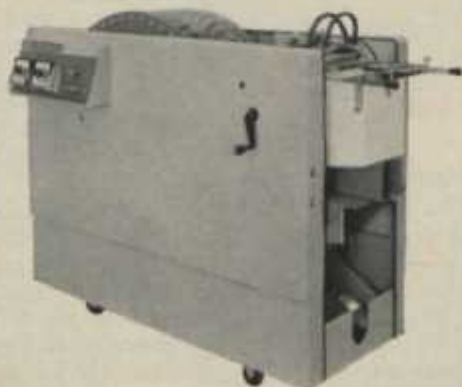
MULTILITH OFFSET 1850 is ideal for high volume reproduction. Handles forms up to 18" x 15". Advanced features provide accurate register, fully controlled impression. Single Lever Control saves time. Plate sizes up to 18" x 15"; Speed: up to 8,000 IPH.



MULTILITH OFFSET 2550 and 570 SORTER — The automatic way to reproduce high-speed, short-run output for programmed systems, tabulators, computers, data printers and copiers. Copy sorter provides speedy, automatic distribution. Just dial the number of copies needed — push a lever. Speed: up to 9,000 IPH.



MULTILITH OFFSET 2575 multiplies reproduction of computer and high-speed printer output. Produces one color on both sides of the sheet, two colors on one side, or a different color on each side — in one operation. Fast, simple, Single Lever Control. Sheet sizes up to 11" x 17"; Speed: up to 7,500 IPH.



MULTIGRAPH COLLATORS 655 and 660 are convenient, compact units for automatically gathering multi-sheet jobs such as catalogs, price lists, manuals, bulletins. Automatic controls. Eliminates costly time-consuming manual operations. Capacity up to 100 pockets. Sheet sizes from 5" x 6" to 20" x 14".



MULTILITH OFFSET CERTIFIED SUPPLIES are tailored to meet your reproduction needs. For example, Multilith Offset Masters are made to duplicate six copies or thousands of copies. We have masters to reproduce drawings, typewriting, photos, and to multiply computer print-out. Your trained A-M Supply Specialist offers 4000 items for immediate delivery.

LARGE CORPORATIONS MAKE EVERY OPERATION (even spending money)

SHOW A PROFIT!



That's why so many of them lease trucks under this sign of full-service!

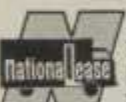
"Blue Chip" firms have discovered that in leasing only the truck (finance contract), just 20% of truck costs are covered! NATIONLEASE FULL-SERVICE TRUCKLEASING covers 100%—EVERYTHING but the driver!

Whether you're a large corporation or small, need one truck or a fleet, RENT or LEASE, the best SERVICE—TER facilities, locally owned and controlled, are yours when you contract for preferred NATIONLEASE full-service truckleasing.

FREE! Write on your letterhead, for Visorfold Map, spotting over 250 NATIONLEASE SERVICECENTERS—plus authoritative LEXICON of Truckleasing terminology.



RENT or LEASE a new CHEVROLET or other fine truck



Local control—National expertise
See Yellow Pages or write.

NATIONAL
TRUCK LEASING SYSTEM

Serving principal cities of the United States and Canada
23 E. Jackson Blvd., Suite E-4, Chicago 4

A SQUARE DEAL

continued from page 47

press concern over the credibility of the Administration. Administration officials have been guilty of directly misrepresenting the facts in many areas, including the aluminum and steel settlements and the federal budget. Of course, one of the crucial elements of the notice requirement under commercial due process is to be accurately informed by the government of the steps which it plans to take. Misinformation not only thwarts this process, but can raise havoc with corporate planning.

4. Unequal application of the rules. Although the Administration has seen fit to level sanctions against certain industries, it has not done so in the case of others. Moreover, its stringent application of the guidelines has not reached wages to the same extent that it has prices in the basic industries. Thus, although the average wage increase negotiated in settlements in 1964 was 3.2 per cent, during the first nine months of 1965—the only period in that year for which we now have records—the average wage increase negotiated in major collective bargaining settlements was 4.2 per cent, almost a full third over the wage guidepost.

Perhaps the basic inconsistency in the Administration's approach has been to demand stringent application of the guidelines to prices in major industries, with the obvious objective of halting inflation, while continuing to increase the amount of federal spending on domestic programs. The effect of this policy has been to require certain industries to toe the line, while increasing consumer spending, and with it inflation, in the economy as a whole.

The President seems bound to replace the old law of supply and demand with his own law of comply and expand. And, as we shall see, this is not working.

Changing nature of guidelines

As originally enunciated in 1962 by the Council of Economic Advisers, the guidelines were to be a basis for voluntary discussion and decision. Professor Arthur Burns, who served as Chairman of the Council of Economic Advisers under President Eisenhower, has compared the 1962 and 1964 reports of the Council, and discerns a noticeable difference between the original approach and that followed more

recently, which amounts to a hardening of the guidelines. He states:

"The report of 1962 had avoided specifying the annual trend increase of national productivity on the ground that this was 'a large and complex subject and there is much still to be learned.'"

"The report of 1964, on the other hand, is free from all methodological doubts and presents without qualification a figure of 3.2 per cent as the annual trend increase of productivity in the private economy that is currently applicable.

"The report of 1962 had indicated that the 'general guideposts' were 'only first approximations' that would need to be adapted extensively 'to the circumstances of particular industries.' The report of 1964, on the other hand, states flatly that the guideposts 'can cover the vast majority of wage and price decisions' and, while the modifications that had been suggested earlier 'still apply . . . it must be emphasized that they are intended to apply to only a relatively few cases.'"

Thus, the guidelines have become more rigid. The 1964 report now refers to them as a "standard" for price and wage decisions. But, as George Meany notes, they are "rigid guidelines based on shifting methods." They have sanctions in some cases and not in others. They appear to have been applied more to prices than to wages; to some businesses, but not to others. Although their objective is to reduce inflation, the government continues to expand its expenditures on domestic programs.

Guidelines today

The Administration's random enforcement of guidelines has not worked.

The wholesale price index rose 3.6 points from January 1965 to January 1966, with almost half of this rise (1.5 points) occurring in the three-month period between November 1965 through January of this year. There is widespread fear of inflation if these policies are permitted to continue.

The reason we do not have the usual regulatory procedure for the government's attempted regulation of wages and prices by guideline is clear: There has been no public mandate or widespread acceptance of the government's policy under which a statute or administrative agency might be established. Indeed, I would be the first to oppose such restrictions at this time. Although the Joint Economic Com-



MATCH MAN- POWER TO NEW JOBS

in Industrial
Tennessee for
No Start-up
Loss!

New plants can stay out of the red in Tennessee . . . because skilled, willing workers can be assured from the start. Thanks to Tennessee's state-wide Vocational and Educational Training Program. Write for descriptive, 32-page, full-color booklet on company letterhead or mail coupon.

ABUNDANT TENNESSEE

Division for
Industrial Development



Office of the Governor
9-3 Cordell Hull Bldg., Nashville, Tenn.
Please send Vocational-Technical Training Booklet.

Name _____
Firm _____
Address _____
City _____ State _____

FOR EVERY COPYING NEED: THE UNBEATABLE THREE FROM 3M!

QUICK!



THERMO-FAX "SECRETARY" COPYING MACHINE
BRAND

RED!



3M "107" COPIER

PAYOFF!



3M STATEMENT MACHINE

TAKE YOUR PICK: Tell us your copying need, and we'll give you the right machine for the job. Need dry, correct, ready-to-use copies fast? Use the world's fastest copier, the THERMO-FAX "Secretary" Copier. Need to copy from colored originals, even bound books? The 3M "107" Copier gives you the finest copies in the world. Need multiple copies of anything from top-quality itemized statements to memos? The 3M Statement Machine gives them to you instantly. Let us prove it. Just mail the coupon.

3M COMPANY, DEPT. DCN-46, ST. PAUL, MINNESOTA 55119

GIVE ME complete facts about the desk-top copiers I have checked:

- ☐ "Secretary" Copying Machine ☐ 3M "107" Copier
☐ Statement Machine

Name _____ Position _____
Firm _____ Phone _____
Street _____ City _____
State _____
Zip _____

3M
COMPANY

Look to 3M for imagination in image-making!

THE TERMS "THERMO-FAX" AND "SECRETARY" ARE REGISTERED TRADEMARKS OF THE 3M CO.

A SQUARE DEAL

continued

mittee of Congress has held hearings on the guidelines, they have been marked by bitter disputes. In the course of these hearings, Chairman Ackley of the President's Council of Economic Advisers noted that legislative enactment of the guidelines at this time would be opposed by both labor and management. Recent meetings of economists have also seen widespread criticism of the present guideline approach.

It is not necessary at this time to impose a cumbersome set of wage-price regulations on American business. There are other more traditional and effective methods for dealing with the present threat of inflation which hangs over our economy, which include the broad elements of commercial due process.

Some recommendations

If businessmen are to be able to plan their programs for the coming years, some order must be re-established in the government's anti-inflationary program. I would suggest the following:

1. Use of traditional anti-inflationary methods. Initially, I would suggest that the government curtail domestic spending. No new domestic programs requiring additional expenditures should be submitted to Congress, and spending levels for new domestic programs already adopted by Congress should be cut back where possible. Also, the Administration should adopt a policy on interest rates with the objective of checking the rate of expansion of credit. These methods may initially prove less popular than the occasional imposition of rigid guidelines on a few major industries. However, they have been effective in the past and, if the federal government wishes seriously to continue its policy of urging that price and wage guidelines be followed, it would do well to set a good example in its own programs.

2. Full notice of the Administration's guideline policy should be given. If the Administration means seriously to pursue its guideline policy, it must first inform American business and labor of what this policy means. If the policy is to include sanctions, such as have already been imposed, the federal government should so inform business and labor. If the policy is going to be imposed upon only some businesses, this should be

made known also. If the government really means to include labor and wages in its guideline policy, it should do so and state that it is doing so. Occasional exceptions should be made where business or labor, after a full hearing, can demonstrate that such exceptional treatment is deserved. Businesses cannot plan within the context of the present vague and inconsistent Administration guideline policy.

What is most important, the Administration must be entirely candid with the American people. The Administration's program must be fully disclosed.

3. Traditional leadership methods must be utilized. The office of the President enjoys tremendous prestige. By keeping the public fully informed as to his policies, the President can gain the necessary public support to carry them through. Moreover, the office can be used in other ways to accomplish the objectives of the Administration. Officials of Cabinet rank, at the direction of the Chief Executive, can work effectively to maintain economic stability.

One might contrast the 1965 aluminum price rollback, induced by the Administration's threat to dump stockpiled aluminum on the market if the guideline was exceeded, with the settlement of the 1959 steel strike. In the latter instance, at the direction of the President, Secretary of Labor Mitchell and I offered to mediate the dispute. After a number of unpublicized private conferences with the key parties, the differences which had prevented settlement were resolved. This was not an easy solution to the problem. It was not government by threat or fiat. It required hours of hard work and drew heavily on the prestige of the Administration. But it settled a six-months-old strike and did so without any inflationary rise in prices.

In all of these dealings both sides were kept apprised of our activities. When we consulted with each side individually, we did so only with the permission of the other side. Although we had no formal regulatory mechanism, we observed all of the traditional elements of commercial due process.

The alternatives

We are at a critical turning point in the battle against inflation.

The Administration has adopted policies which are both ineffective and contradictory.

Instead of cutting nonmilitary expenditures, the Administration

has added over \$4 billion to domestic spending programs.

To combat the inflationary impact of this budget action, the Administration has resorted to renewed insistence on "voluntary" guidelines, arbitrarily and capriciously administered and flagrantly violating commercial due process.

These self-defeating actions predictably have not only failed to stem the inflationary tide but have escalated it. That is why Administration insiders now are talking not only about the possible need for a tax increase but also about the eventual necessity to impose mandatory wage and price controls.

The cost of winning the war against inflation by these weapons would be that we would risk launching a war against prosperity.

I have tried in this article to point out an alternative course—a program which will enable us to win the war against inflation without jeopardizing prosperity.

Instead of raising nonmilitary expenditures in the budget, we should cut them.

Instead of condemning the Federal Reserve Board for raising the discount rate, Administration officials should encourage action in all levels of government which would stem the excessive flow of credit.

Voluntary guidelines should be administered in an orderly and consistent manner. There are two reasons why such guidelines would work better under such a program than at present.

First, because the best way for government to set guidelines is for government to set an example in the conduct of its own fiscal affairs.

Second, because both business and labor are more likely to accept and adhere to guidelines when the rules of commercial due process are observed in their application.

As the 1959 steel settlement demonstrated, it is possible to observe the prerequisites of elaborate regulatory procedure. The requirements of notice, full disclosure, equal treatment—or fair play—can be observed even if no statute or regulation exists compelling the administrator to so act. The difficulty arises when any governmental policy is pursued without observing these safeguards.

The greatest value of commercial due process lies in the fact that it permits government to enunciate policies beneficial to an ordered society, while insuring to American business and labor the maximum freedom to act in our market economy.

END

NEW IMPROVED 1966 EXECUTIVE RECORDER

With Built-in Microphone—Speaker
First Available With Both Batteries and Special AC Adapter—
You Can Plug it in and Play it Anywhere, for Hours
NEVER BEFORE AT THIS LOW PRICE

FREE

WITH YOUR MEMOCORD
#332 Conference Speaker
#340 Private Listening Device
A \$12 VALUE (FREE!)
to make your MEMOCORD an even
more versatile and useful "ELEC-
TRONIC ASSISTANT."

1 HOUR RECORDING
FULLY TRANSISTORIZED
BATTERY OPERATED

WITH SPECIAL ADAPTER,
PLUGS INTO WALL OUTLET,
PLAYS ANYWHERE, FOR HOURS—
MAIN BATTERY RE-CHARGES
WHILE USING ADAPTER

UNCONDITIONALLY
GUARANTEED

A MINIATURE ELECTRONIC MEMORY STORES
YOUR THOUGHTS, IDEAS, REPORTS AND
MEMOS... REPEATS THEM ON DEMAND!
INDISPENSABLE FOR THE MAN ON THE GO!

MEMOCORD IS EASIER THAN WRITING, and much
faster. A "must" for the Executive, Salesman, Doctor, Law-
yer, Reporter, etc. MEMOCORD "The Talking Note Pad" is
instantly ready to record anywhere—anytime. Speak... or
whisper confidentially anything that's on your mind.

MEMOCORD REMEMBERS FOR YOU... IT NEVER
FORGETS. Relieve your memory of important details often
forgotten. Improve your ability to concentrate!

MEMOCORD IS SIMPLE TO OPERATE. Only two push-
buttons—red to record, white to listen.

MEMOCORD HAS ADJUSTABLE SPEED CONTROL
FOR PLAYBACK!

MEMOCORD RECORDS MAGNETICALLY ON TAPE.
Erase and reuse indefinitely. Tape is numerically imprinted
for indexing.

MEMOCORD IS UNBELIEVABLY SMALL. Only $1\frac{1}{2} \times 3\frac{1}{8} \times 4\frac{1}{2}$ inches. Slightly larger than a cigarette pack. So
light only $11\frac{1}{2}$ OUNCES complete with 2 standard batteries
and tape.

MEMOCORD HAS OPTIONAL ACCESSORIES. For ex-
ample, a tiny pin microphone that's easily concealed. Excel-
lent recording conferences and interviews. Provides sensitive
pick-up range to 25 feet or more. Other accessories include
foot pedal, earset, external loudspeaker, telephone adapter.
Memocord is first miniature recorder with special adapter
that permits it to play from standard wall plug-in. Plays in-
definitely, anywhere—main battery re-charges while using
adapter. More useful than any other pocket-sized recorder.



11½ oz.
NO EXTERNAL
WIRES—WHEN
BATTERY OPERATED

NOW ONLY

\$69.95

FORMERLY SOLD
FOR \$99.95

ACTUAL SIZE
 $1\frac{1}{2} \times 3\frac{1}{8} \times 4\frac{1}{2}$ "

U.S. PATENT #D-196,514
NEW DELUXE MODEL III

MEMOCORD IS STURDILY CRAFTED—BRILLIANTLY
ENGINEERED. Encased in handsome black and silver high
impact polystyrene. A West European product by a world re-
nowned manufacturer of quality tape recorders, protected by
U.S. Patent No. D-196,514.

MEMOCORD IS UNCONDITIONALLY WARRANTED
FOR 90 DAYS AGAINST DEFECTS IN MATERIAL OR
WORKMANSHIP. Send Check or Money Order. No
C.O.D.'s. Add \$1.25 per MEMOCORD for postage and
handling.

—10 DAY MONEY BACK GUARANTEE—

NORFOLK—HILL, LTD.

Formerly WOMRATH'S—Lexington
35 Ninth Avenue, New York, N. Y. 10014

Dept. NH-1

Gentlemen: Please Ship

MEMOCORD III Recorders at \$69.95 each, complete with

batteries and reel of tape.

MEMOCORD IV Recorders with special "lock-in" record
switch for continuous recording (Plus FREE SHOCKPROOF
TRAVEL CASE, batteries and reel of tape) at \$79.95 each.

☐ FREE No. 332 Conference Speaker ☐ FREE No. 340 Private

Listen-Device ☐ Pin Microphone \$20.00 ☐ Foot Pedal \$10.00

☐ Wall Plug-in Special A/C Adapter \$20.00 ☐ Earset \$15.00

☐ Tel. Adapter \$9.00 ☐ Tapes \$3.50

MR. _____

FIRM _____

STREET _____

CITY _____

STATE _____

ZIP _____

Add \$1.25 per MEMOCORD for postage and handling.

Enclose Check or Money Order.

☐ Charge Diners Club Acct. # _____

☐ Charge American Express Card # _____

Signature _____

Add 5% N.Y.C. Sales Tax or % For Local

Friden

PA AND MA AND LBJ

continued from page 49



How much faster is an electronic calculator? On Accounts Payable, Gimbels found it 43% faster.

Recently, Gimbel Brothers Department Store in Philadelphia, Pa., tested the new 130 Electronic Calculator by Friden against the mechanical calculators they've been using.

The tests consisted of 300 invoices, totaling 757 invoice lines. To make the comparison completely realistic, the tests were conducted by Gimbel employees, using actual invoices.

It was hardly a contest.

The time required to complete the invoices on a rotary calculator was 265 minutes (or 67.9 invoices per hour.)

The 130 Electronic Calculator required only 185 minutes (or 97.3 invoices per hour.) 43.3% faster!

Today there are six new 130's in Gimbel's Accounts Payable Department with more to come. And productivity has stepped up accordingly.

The 130 is completely noiseless, works in milliseconds, and displays intermediate answers on a small TV screen. The cost is just \$1,695, while Model 132 with automatic square root is \$1950.

If you'd like a demonstration, call the nearest Friden office. Or write to Friden, Inc., San Leandro, California. Sales & service throughout the world.

Friden
A DIVISION OF
SINGER



The 130 Electronic Calculator by Friden

Pa snickered and likkered and told Ma the story:

"Well, our father in Washington might be turning the lights off in the White House, but he's sure turning 'em on in this turribly impoverished state in Appalachia. He come out of the sky in a plane like a great white bird with Lady Bird and he look down upon our awful squalor and wretchedness and poverty and he said I am goin' to have compassion on my people. That means he's gonna do somethin' fer us and do it quick. Because a President must have compassion fer lowly people whether they are a-starvin' er a-making a fuss when he is a-making a speech. And the President's plane come down into poverty-struck Huntington and he talked to the people and told 'em that things was pitiful but he'd fix things up, the way Roosevelt started out to do, only the Republicans didn't help and made one fifth of the people go to bed hungry every night. But he ain't brookin' no interference from the Republicans and is liftin' 'em by the ears like they was beagles, er is it Beatles?"

Pa paused, and the Perfessor took over. "What Pa wants to say is that President Johnson has invited him to join in this war and be on the staff of Appalachian Youth. But he felt that he could not serve adequately, not being a Harvard man, and he sought my advice. I am happy to tell you that I have persuaded him to accept, and have pledged my support."

That was great news for all of us, and again we was all thankful that the Perfessor would take over and help Pa do his job.

The Perfessor had come down to Commodity Ridge as one of the first explorers of the New Frontier. I recollect Pa asked him how come he got to Washington, and he laughed and said he reckoned he just turned left from Harvard Yard.

Mister Kennedy had sized him up real good and said for him to go down to those wonderful West Virginia hills and help his people. And he had found our holler, and knocked on our door and Pa said for Ma to open the door and see who it was who couldn't open it for himself, and he had come in and Pa said have some sassafras juice and he did and then he had some more and some more, and well, he just never did go back. He moved into the old Jooks house and made application and got



*Your rancher, your roadster
your grandfather's clock*



your vocation, your vacation, your chips off the block

Your USF&G agent can insure them all



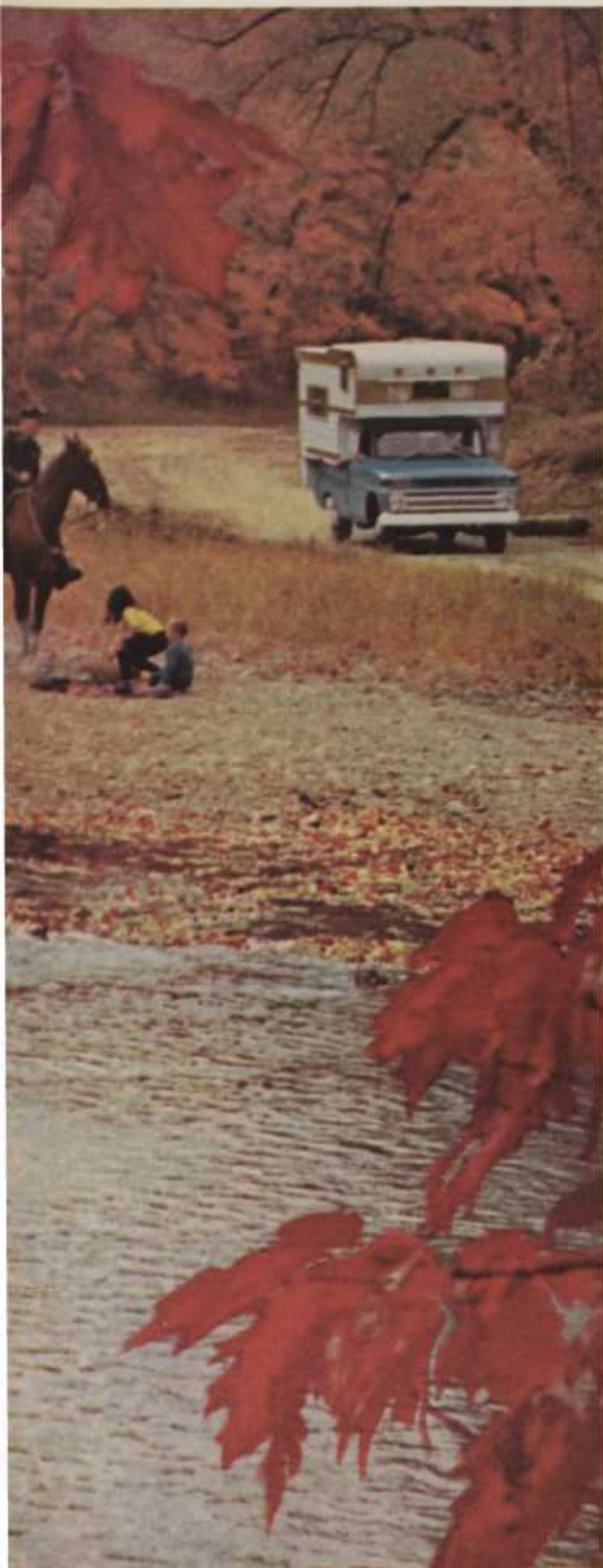
Because he operates independently, your USF&G agent can pick and choose from many policies to get you the best possible coverage. His wide range of USF&G policies means a coordinated program from one experienced source. You'll find him in the Yellow Pages. Consult your USF&G agent as you would your doctor or lawyer.

USF&G THE COMPANIES, BALTIMORE 3, MD. United States Fidelity & Guaranty Co., Fidelity & Guaranty Life Insurance Co., Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md. • Fidelity Insurance Co. of Canada, Toronto
CASUALTY • FIRE • MARINE • MULTI-LINE • LIFE • GROUP INSURANCE □ FIDELITY • SURETY BONDS





1966 Chevrolet Fleetside pickup, Step-Van Travel Coach and Fleetside pickup with camper body in the Rocky River Reservation, Ohio.



ROUGH ROADS ARE SMOOTHER WITH CHEVY WORKPOWER!

We can point out some very good reasons why trucking's not the rough work it used to be.

We can show you light-duty Chevies that ride as smooth as a car. And big Chevies that help take the backwrecking jounce and jostle out of long hauls. And cabs that are the next thing to luxurious. And engines and components that pave the way to lower costs because they are stronger and more economical in daily use.

We're out to make all phases of your hauling operation run smoother. (Someday, if we have our way, your work will be a downright pleasure!)

Right now, there's more smooth-running workpower in the Chevrolet line than ever before: advanced easy-riding suspensions for all models; 25 engines, from the new 250 Six for light-duty trucks to the big new 637-cubic-inch diesel for heavyweights; 18 pickup models and the biggest selection of covered delivery trucks on the market. Not to mention our "camper specials"—pickups and other models for outdoor fun!

Your Chevrolet dealer can show you all this and much more. He can help you smooth out the wrinkles in your hauling operation by seeing to it that you get the latest equipment for your kind of work. It'll pay you to pay him a visit. . . . Chevrolet Division of General Motors, Detroit, Michigan.



BUILT FOR BIGGER THINGS IN '66!



**Whatever your business,
whatever its size,**

**there's a Monroe Sweda
sales register
just made for it.**



FOR DETAILS CALL YOUR LOCAL MONROE SWEDA REPRESENTATIVE. HE'S LISTED IN THE YELLOW PAGES UNDER CASH REGISTERS. MONROE SWEDA, ORANGE, N. J. A DIV. OF LITTON INDUSTRIES.



his check every month and his Wisconsin cheese and pork and gravy and lived among us.

Once Pa even figured out how to improve the commodities.

He came home from town with an empty can in his hand and the minute he got in the door he hollered to Aggie to come quick and take a letter to Senator Byrd.

Ma asked him why was he all the time writing letters to Senator Byrd for. Why don't he ever write to that nice Mr. Jennings Randolph, who is so good to the woman folks and looks into their eyes when he shakes their hands.

Pa got ruffled up and he said because common people can't spell a long name like Jennings Randolph. He said that Bob Byrd is a sight easier to spell because it is easier and quicker to say. And I thought that was pretty smart thinking on the part of a man who never got no head start at no school.

"Woman, a bird is a ordinary thing which you see every day and it would only be natural that it would spell ordinary," Pa said. A body has to admit that Pa can sure see right into things.

But I could see it wasn't the letter that was the important thing. It was that empty can in his hand. So I said, right curious like:

"Pa, what's the old empty can fer, and what was in it?"

That sure done it, Pa jumped up on the hickory bottom straight-back and he spoke loud: "In this can was great wealth."

"Aggie," he said, "before you start writin', I wisht you'd read what it says here on this can."

A 900 caliber diet

And Sister Aggie started reading and I wish I could recollect what all she read because it was good hearing. It went something like: Drink four cans of this each day, one in place of each meal and one just before the 11 o'clock news, and maybe just a little bit in between if you feel you ain't had enough. But don't eat no food, it said, and keep on drinking water just like you always do. If you don't drink the whole can full then put it in the spring-house and keep it till you want it.

Four cans a day will give you 900 calibers or something, and you won't need nothing else to eat and if you are fat it will make you as poor as a fence rail, but if you ain't got too much fat to lose, or just a little bit,

then you can just drink it in place of breakfast and eat your dinner and your supper, or you can eat breakfast and dinner and skip supper.

Then Pa told how he learned about this wonder drink. "You know the Tubbs family. Well, you know how fat all of 'em are. Or was. They ain't fat no more. They have started drinkin' this can and they are sellin' their commodities."

But directly Pa started dictating to Sister Aggie. And then we was all quiet, even Ma, because I think all of us down deep knowed it was a sacred minute of a voter communing with his Senator. And I listened real good so I would be able to tell it to my own children someday.

"Dear honorable Senator Byrd: I take my pen in hand to write you a letter to inform you that I am well and hope you air the same. I am not coming to you to ast a favor because I voted fer you. It is because I know that you are interested in your people gittin' suitable commodities, and that is why I am writin'. There is a new thing out now that you drink and you don't have to eat. I am asking you if you won't please put this in with our commodities instid of flour and meal and pork and gravy and they would be easier to carry home."

But we never got none.

Every night the Perfessor comes down and discusses politics with Pa and interrupts the news to him and gives advice.

As he encouraged Pa to join up with the poverty fighting forces, I noticed that Ma looked dubious. And Ma started talking:

"Perfessor, my heart is troubled. When our great President dropped out of the clouds-like good things from the corn of copi-a and said he would help us who was heavy laden with automation, at the same time this feller Mac Namary was a-closin' down 62 military bases which would throw people out of jobs. Mac Namary means well, and said not to worry as they and their families and their things would be transported at government expense to new jobs. Now, Perfessor, I know you mean well, and Pa means well, and President Johnson and Mr. Mac Namary means well, but what I want to know is what jobs is they gone to be transported to. Is them jobs now open, and if they is, why hain't the people of Appalachia been transported there, and if they ain't open, does that mean that jobs is goin' to be invented fer them?"

The Perfessor has always found

Ma a hard row to hoe. He always says that Harvard's library didn't have nothing to come up with her. Just things by folks like Adam Smith and Karl Marx and such like. But he had a answer. He said:

"Don't worry your head, Ma, because between us both, your husband and me, there has evolved a plan. As you know this war on poverty will need planning and executin'. Already we have the Appalachian Youth organization. Now, we are going to ask President Johnson to send to Appalachia all those who have been idled by closing down these military bases. They will become the administrative staff, the investigators, the teachers and workers. Tell her the rest of our plan, Pa."

"When all these people come here, they will be assimilated with us and their kids will wed our'n and vice versa. And they will make application and live off the fat of the land and their government checks. You tell them the rest, Perfessor," Pa said as he filled his glass.

"Then there'll come another year that is divisible by four, which apparently is the lucky quadrennial in America, and it will be found we have more poverty than ever. Then more people, replaced by IBM and Control Data, will come to assist us in a new war on poverty, which by then will have another name. Then it will be noticed that in Appalachia, as if by miracle, all the poor people in the world will be comfortably off. Now, Pa, if you will conclude this little dissertation, we shall get down to more serious business," the Professor said as he handed Pa his empty glass.

How to tap the till

"Why then all us impoverished people of poverty will j'in together and declare ourselves foreign territory and . . . and then what do we do, Perfessor?"

"We then make application for foreign aid . . ."

"Oh, yeah," Pa said, and his eyes jumped with anticipation. "There will be no more sorrow and no more work."

The Perfessor stopped him. "Pa, actually you have two places confused. But essentially there is no great difference."

And Pa went to sleep and snored. The Professor poured more sassafras julep and set back in his chair and looked through his glass to the fire in the fireplace and I heard him say the queerest thing.

"Ah, Lyndon," he said. "You are working on the wrong fifth." **END**

IF THOMAS JEFFERSON



CAME BACK TODAY

IT was a soft April night. By the time I arrived, the Jefferson Memorial was deserted. I parked and strode up the broad, marble steps. Back of me the dark Tidal Basin twinkled in the reflected lights of the Washington sky. In front loomed the great, white, dome.

I stood at the entrance all alone, in a forest of gigantic stone columns.

Ground fog clung in silvery layers to the steps and lower pedestal of the memorial. Inside, a particularly thick mist swirled at the foot of Jefferson's huge, bronze statue.

In its midst stood someone in a long, black academic gown, wearing a curled wig similar to those worn by barristers and attorneys in colonial times.

The figure turned towards me and leveled its piercing gray eyes on me. I advanced and held out my hand. "Mr. Jefferson, I believe?"

He smiled.

"What do you think of your statue, Mr. President?"

"Excellent, excellent," he replied. "And I like the style of the building—modesty keeps me from praising it too much."

Lowell B. Mason, the author, is a distinguished former member of the Federal Trade Commission, a lover of history, a warrior against bureaucracy and a noted storyteller.

Here he describes a midnight encounter with the ghost of Thomas Jefferson, who calls for a new declaration of independence from the shackles on free enterprise today.

Mr. Mason has served in both legislative and executive branches of government; and at national, state and local levels of government.

He was also counsel for the National Recovery Review Board and the U. S. Senate's Interstate Commerce Subcommittee.

He wrote the book, "The Language of Dissent."

We both laughed. The architects who designed it had adapted the style he, an architect in his own right, used when he built his home, Monticello.

"And I admire the idea of putting excerpts from my writings in the panels on the walls. There are two phrases I like especially:

"I know but one code of morality for men whether acting singly or collectively" and "That government is best which governs least."

"The first is here on the wall.

"The second? Perhaps a sense of delicacy persuaded the builder (the greatest and most omnipotent government in the world) to leave it off.

"The present-day liberals have built the largest centrally controlled bureaucracy in the world. You can hardly expect them to like the old-fashioned maxim, 'The least governed the best.'"

"Though these men may hate to admit it, the private enterprise system most closely resembles the framework of government your forefathers established," he said as he gazed out across the misty Tidal Basin.

"The right of the customer to make his own choice is the democratic principle by which your executive and legislators are chosen. But the storekeeper also has a right which is quite undemocratic. Even if 51 per cent of his customers want to take his goods and pass them out the windows to their favorites in the back alley, they cannot do it.

"The checks and balances of the competitive market are as inviolable as the checks and balances in the Constitution of the United States should be. In the free market, the responsibility for the individual's welfare rests on his own endeavor. And no honest merchant ever lived who took from his customers according to their ability and gave to others according to their need.

"Your midnight visit to me here reminds me of a similar midnight experience I had when in Paris

"You mean I get a complete safety program and a complete fire prevention program...for nothing?"

Are you kidding?"

We kid you not.

When your business is insured by Utica Mutual, you get the best fire prevention and safety programs in the business—and it doesn't cost you a cent.

1. You get a safety survey

First, we send our safety experts to your plant. They check the building, fire walls, fire doors, heating equipment, electrical systems, appliances...you name it, they check it.

They also check people—work habits, work areas, work equipment.

2. You get a custom-made plan

Then we develop a safety program just for you. It's a tailor-made plan built around your building, your equipment, your people—your special needs.

Then Utica Mutual helps you put the plan in operation. You and your staff receive special training in safety, everything from films to safety contests to special classes for your foremen.

3. You get results

And they're results that count: reduction in lost time due to accidents, improved employee relations, and a decrease in the "hidden 80%" economic loss that results from idle machines, damaged equipment or curtailed production when workers are away from their machines.

4. You save on insurance costs

The major goal of Utica Mutual's fire prevention and safety programs is to save lives and equipment. But they also help save you money by lowering your

insurance costs.

One employer, for example, paid \$3.00 per \$100 payroll in insurance. Then a Utica Mutual safety program was put into operation. As a result, his premium was cut to \$1.50 per \$100 payroll—a 50% reduction.

And with Utica Mutual, you save still another way: annual dividends. Utica Mutual has paid a dividend to its policyholders each year since the company was organized in 1914.

A complete Utica Mutual safety program—and comprehensive fire prevention program—costs you nothing. For all the details write: "Safety", Rm. 156, Utica Mutual Insurance Company, Utica, N.Y. 13503. You'll find out how insurance that starts with you starts with your safety.

UTICA MUTUAL

insurance that starts with YOU

You can use a
home typewriter for:
correspondence
family messages
school notes
speeches
creative writing
and addressing envelopes
in your spare time.



You can use the new Sony 900
portable tape recorder for:
correspondence
family messages
school notes
speeches
creative writing
and recording and beautifully reproducing
your family's favorite music.



Now your choice is simply whether you'd rather address envelopes or listen to music.

SONY **SUPERSCOPE** *The Tapeway to Stereo* [®]

SonyMatic 900. Solid State. Battery or household current operation. Automatic Volume Control. 2 speed (3 1/2 & 1 1/2 ips) capstan drive. Tone control. Dynamic microphone with remote stop/start switch. 3 1/4 inch reel for up to two hours on a single reel. Frequency response: 90-9,500 cps @ 3 1/2 ips. 90-5,000 cps @ 1 1/2 ips. 5 1/2 lbs. complete with carrying case. **ONLY \$67.50 COMPLETE.** For additional information, and dealer address, write Department 74, Superscope, Inc., 8150 Vineland Ave., Sun Valley, California 91353.

OPTIONAL ACCESSORY. Activate your 900 with the sound of your voice! Just add the VCF-85 Voice Command Microphone. Less than \$22.00.



THOMAS JEFFERSON

continued

nearly 200 years ago. Lafayette and a group of French patriots came to me for advice."

We settled ourselves as comfortably as a stone bench allows and here is the story Mr. Jefferson told:

"I shall never forget that night some 200 years ago; cold, windy, wet, snowy. Paris weather can be very disagreeable in February. In those days the American government furnished no mansions for its ambassadors across the seas. I

rented the best my own pocket could afford. The Hotel de Langeac was a big old house; high ceilings, thick walls, with tall French windows looking out on the Champs Elysées.

"It was midnight. I was in my study, expecting the visitors. Petit, the butler (whom I had brought from America), moved silently about the room, stirring the fire, setting out wine glasses, decanters of madeira and lighting candles.

"The Marquis de Lafayette had asked me to receive a few of his friends. Lafayette, the man who with a paltry 1,200 New England

Minutemen saved Virginia from the ravages of the British—the man who now that I was ambassador constantly counseled and aided me in my diplomatic affairs, wanted me to meet a few friends? Of course.

"I stood watching in the dark alcove between the curtains and the window.

"The snow had stopped. In front of me lay the Champs Elysées, shrouded in white save for the black iron palings at the ends. The street lamps swinging in the wind gave a feeble, flickering light to the scene.

"Presently a carriage—two carriages—drew up to the door. There was the Marquis; there was Barnave, a handsome young lawyer who was already rivaling Mirabeau's oratory (for this quality he lost his head on the guillotine three years later). There was Mounier, a judge from Grenoble, Alexandre Lameth and others whose names I forget.

"I greeted them; chairs were drawn close to the fire; glasses filled.

"'Monsieur Ambassador,' said the judge from Grenoble, 'tell us of conditions as you see them here.'

"'It is the best of times,' I replied wryly.

France on the brink

"'You have a happy king on your throne. Every day when he awakens, four footmen in powdered wigs, embroidered coats and gold lace serve him chocolate in bed. He hunts with his hounds all morning, drinks with his courtiers all afternoon and sleeps with whom he pleases all night. Two hundred thousand troops stand ready to guard the safety of His Most Serene Christian Majesty. His dear wife—brilliant, beautiful and so witty; her reply to the Abbé Arnould when he told her the people cried for bread, will go down in history as the bon mot of the era: 'What, no bread? Then let them eat cake.'"

"'Merchants catering to the carriage trade are swamped with orders for lace, perfumes, fine silk and inordinate amounts of wine, beef, mutton, coffee and all the other niceties of life that betoken a well-fed, privileged class.

"'To monsieur's eyes it is fair indeed, but through the eyes of a common citizen of America, it is the worst of times. Have you ever visited the faubourg of Saint Antoine? No need to—for even the stylish streets of the privileged flare up with the sores of revolution.

"'I was standing one evening last

Tomorrow morning, make just one entry for payroll check, journal, and individual earnings record.

Then take the afternoon off.

It's easy with McBee's new low-cost General Records Poster. In fact, it's as close as you can come to "automated" pen and paper bookkeeping. And it can save you up to 75% of the clerical time you now spend on your weekly payroll.

And it's equally as time-saving with Accounts Receivable, where it enables you to post to statement, ledger, journal, and account distribution



simultaneously.

All posted on the proper lines. Automatically. With just one entry. At the average rate of *one-a-minute!*

The McBee low-cost General Records Poster. Start using it tomorrow morning.

And you'll be able to take the afternoon off.

(For details, fill in this coupon and return it to us.)

	McBee Systems, Dept. 22DX, A Division of Litton Industries 80 Greenwich Avenue, Greenwich, Conn.	
	Gentlemen: Please send me full details on the General Records Poster.	
	Name _____	
	Company _____	
	Street _____	
	City _____	State _____
	McBEE 	

Small. (That's actual size.)

Light. (Just two ounces.)

Quiet. (Only the man you call is alerted.)

With Executone Pocket Paging you reach the man you want—instantly. Reach him anywhere on the premises: in Accounting . . . Production Area . . . the Conference Room . . . even the elevator. And reach him discreetly. Dependably, too. Because Executone covers all

areas of your organization, completely.

But that's just the beginning. Unable to reach your man for an internal phone call? Don't bother your busy switchboard operator. Just dial a number—pocket page takes it from there. You'll reach your man in seconds—*automatically*—to complete your call.

Find out how Executone's Pocket Page can add a new dimension to your

present communications. Write for free demonstration or ask for our new "Management Communications File." Executone, Inc., Dept. P 1, Austell Place, Long Island City, N. Y. 11101. In Canada: 331 Bartlett Ave., Toronto.

Executone

Reach the man who isn't there

(with this 2-ounce pocket page receiver)



Executone Pocket Page—another ruggedly dependable Executone System engineered to provide complete communications for business, industry and institutions. Whatever your communication needs—intercom, sound or pocket page—you can depend on Executone.



**Now a computerized accounting machine
that adapts to your billing and accounting
systems. For only \$5350.**

This is the Mercator 5100. An electronic, high-speed billing/accounting machine with extreme flexibility. And it adapts to any manual or mechanical accounting system. Exclusive features

include a unique, solid-state, plug-in computer that virtually eliminates costly downtime. An incorrect balance rejection which automatically maintains accurate, up-to-date statements

and ledgers. Operation is simple; takes just minutes to learn. Call for a demonstration. Wherever you are, you'll find Olivetti Underwood sales and service. See your Yellow Pages.



olivetti underwood

See the new Mercator 5100 at any of these Olivetti Underwood branches

- ALLENTOWN, PENNSYLVANIA
4012 Hamilton Boulevard
- ANAHEIM, CALIFORNIA
250 N. Manchester Avenue
- BALTIMORE, MARYLAND
6322 Security Boulevard
- BOSTON, MASSACHUSETTS
1255 Boylston Street
- BROOKLYN, NEW YORK
150 Court Street
- CHICAGO, ILLINOIS
816 S. Michigan Avenue
8436 S. Kedzie Avenue
4805 W. Cermak Road
- CLEVELAND, OHIO
1649 Superior Avenue
- DALLAS, TEXAS
2948 Stemmons Freeway
- DENVER, COLORADO
1328 Champa Street
- DETROIT, MICHIGAN
2424 West Grand Boulevard
- GARDEN CITY, NEW YORK
363 Old Country Road
Carle Place
- HOUSTON, TEXAS
5005 Gulf Freeway
- JERSEY CITY, NEW JERSEY
3461 Kennedy Memorial Boulevard
- LOS ANGELES, CALIFORNIA
2263 Wilshire Boulevard
11510 Washington Boulevard
- MILFORD, CONNECTICUT
525 Boston Post Road
- MONTEBELLO, CALIFORNIA
3316 W. Beverly Boulevard
- NEWARK, NEW JERSEY
1130 Globe Avenue
Mountainside
- NEW YORK, NEW YORK
122 East 23rd Street
- NEW ORLEANS, LOUISIANA
750 St. Charles Street
- OAKLAND, CALIFORNIA
540 20th Street
- PATERSON, NEW JERSEY
34-08 Broadway
Fairlawn
- PHILADELPHIA, PENNSYLVANIA
23 City Line Avenue
- PHOENIX, ARIZONA
31 East Thomas Road
- PITTSBURGH, PENNSYLVANIA
1 Federal Street
- QUEENS, NEW YORK
73-25 Woodhaven Boulevard
- SAN DIEGO, CALIFORNIA
3805 Fourth Avenue
- SAN FRANCISCO, CALIFORNIA
531 Market Street
- SEATTLE, WASHINGTON
2126 Second Avenue
- ST. LOUIS, MISSOURI
110 N. Jefferson Avenue
- WASHINGTON, D. C.
1146—15th Street
- WHITE PLAINS, NEW YORK
11 Harding Avenue



olivetti underwood

NATION'S BUSINESS • APRIL 1966

THOMAS JEFFERSON continued

week in front of the Club de Valois, waiting for my carriage. A mob of sansculottes came marching down the street. On the end of a pikestaff was the head of M. de Foulon, one of the king's ministers, his naked body dragged behind.

"His Majesty's government, despite all its apparent means of strength, is fast crumbling from waste, mismanagement, oppression and debt."

"Suddenly ashamed at my own frankness I stopped short.

"Save for the howling wind outside and the crackling fire within there was deathly silence.

"And then young Alexandre Lameth, a nobleman, prominent in the Club des Jacobins (this was before popular consensus put Robespierre at its head) spoke up, 'Monsieur Ambassador, we know everything you say is true, and we know we can stop this madness only if we adopt a constitution that protects the liberties of all. Tomorrow I shall renounce my titles and prerogatives. And if you will tell us what measures in your own system of government are best fitted to our present need, I shall propose them to our constituent assembly in Versailles.'"

Pausing in his story, Mr. Jefferson arose from the stone bench we were sitting on and stood over me.

"Don't get up," he said, "just turn your head slightly and read the last sentence on the panel directly behind you."

It said:

"I know but one code of morality for men whether acting singly or collectively."

"Mr. Jefferson, I don't see the relevance."

"What I said to M. Lameth has never been recorded. Lafayette and his friends came to my house for what you call an 'off the record' conference. But its import can be seen from items in my diary and elsewhere.

"What I said had nothing to do with the price of bread; nor did I speak but casually of the waste and profligacy of the French government that in 1776 was in debt 37 million livres. I was not speaking of their financial bankruptcy, but of the moral bankruptcy that attends any nation which has a double standard of morals, setting one group above another. I told them there should be but one code for all. This they did not have.

Louis allowed his favorites to impose the corvée, use *lettres de cachet*, profit from the collection of taxes and put peasants to the inquisition.

"This absolute power of the favorites absolutely corrupted the favorites.

"If it hadn't been for diplomatic immunity, I'm sure Louis XVI would have clapped me in the Bastille for my frankness, along with the worthy patriots who came to my house. As it was, they all went to the guillotine (except Lafayette and one other who escaped). They were sent not by Louis, but by the democratic consensus they espoused."

The corvée again

Again I interrupted. "What do our businessmen care about the French corvée? I know the corvée forced a man to donate a certain number of days each year (or pay the equivalent in cash) to some overlord for the privilege of working. But in America everybody has the right to work without paying tribute to any one."

"Everybody?" asked Mr. Jefferson.

"Well, in 19 states they can; and several state constitutions guarantee it."

"The liberals have promised to impose the corvée here in America, haven't they?" asked Mr. Jefferson.

"I suppose so, if you want to put it that way. You also said something about trial by jury. You know everybody in America has the right of trial by jury. Due process interposes a judge and a judicial proceeding between the citizen and the coercion of the state. It is done so that an objective mind might weigh the facts before assessing a penalty or inflicting a burden.

"The right to punish is too precious to entrust to those whose job it is to prosecute."

Mr. Jefferson smiled. "So far as your businessman is concerned isn't your Federal Trade Commission policeman, judge and jury combined?"

"Well, Mr. Jefferson, we are supposedly a nation on the move. We can't be bothered with the law's cumbersome delays. Certainly you don't mean to say your criticism of Louis XVI's *lettres de cachet* and inquisition applies to us?"

"Not if you are a burglar, a bank robber, a Senator, a Congressman, a professor or any one else not engaged in interstate com-

(continued on page 101)

LESSONS OF LEADERSHIP: PART XI

SPOTTING THE SEED OF SUCCESS

A conversation with Walter E. Heller,
a trailblazer of commercial finance

Intense curiosity about other people's businesses.

This, perhaps as much as any other characteristic, has enabled Walter E. Heller to build the highly successful commercial finance company which carries his name. It has given him a broad understanding of the world of business and penetrating insight into the operations of businessmen who come to him for money.

It has also made it possible for Walter E. Heller & Co. of Chicago to offer its clients a service which may be more important to them than money.

Now 75 years old and chairman of the board, Mr. Heller is a tall, spare man with craggy features and thinning gray hair. He is known for his blunt talk and his ability to make the right decision quickly. A keen sense of humor, often directed at himself, leavens his willingness to say exactly what he thinks.

Mr. Heller founded his firm in 1919 with \$100,000 in capital and \$100,000 in credit. Since then he has built it into one of the nation's largest companies devoted exclusively to commercial financing. Its more than 3,500 business clients form a cross section of U. S. industry. Assets now are more than \$532 million.

Many former Heller clients have mushroomed into major corporations. Among them: National Airlines, Inc., Helene Curtis Industries, Inc., Continental Motors Corp., United

Artists Corp. and Jim Walter Corp. Though they have graduated to bank financing, a number of such companies stay with Heller & Co. because of the advice offered.

The bulk of Walter E. Heller & Co.'s business is in what is called receivables financing. The firm either lends money to a client, taking its accounts receivable as collateral, or makes money available through factoring, in which it buys the client's accounts receivable and makes the collections itself.

Mr. Heller's remarkable ability to spot untested companies with a high growth potential is evidenced by the fact that less than one quarter of one per cent of his receivables purchased by volume has gone bad.

Mr. Heller's unrelenting curiosity extends to everything he does. A picture-taking session will wind up with Mr. Heller knowing everything about cameras that the photographer can tell him. He returned from a recent trip to Africa with detailed knowledge of conditions in the countries he had visited.

Golf remains his principal recreation. His goal is to bring his score down to match his age.

In this interview with an editor of NATION'S BUSINESS, Mr. Heller shares the experience he has acquired in a lifetime of picking the companies which have what it takes to grow, the seed of success.

Mr. Heller, how did you happen to go into com-



PHOTO BY RACHEL LITVINMAN

Problem-solving in the executive suite usually takes a special wisdom acquired through long years of getting answers and results. Nation's Business brings you another in the series, "Lessons of Leadership," presenting the accumulated knowledge of respected American business statesmen and told in interviews with our editors.

IDAHO!

is Rich Above and Below Ground

Production at our operations in Idaho's famous Coeur d'Alene Mining District, where over \$2 billion in lead, silver and zinc has been extracted from the earth, has been consistently high. Mining has played a big role in the development of Idaho in the past and will do so in the future because this western state is alive and responsive to the challenge of tomorrow. Its people and its land are productive. Idaho's governmental attitudes have resulted in a sound, progressive business climate. It's a great state to live, work, develop and grow in.

For complete information (confidential) on what Idaho offers your company, write

Idaho Department of Commerce and Development
Room 66F, State Capitol, Boise, Idaho



C. E. Schwab
President
The Bunker Hill Company
Kellogg, Idaho

LESSONS OF LEADERSHIP

continued

mercial finance in the first place?

Well, essentially because I was very much interested in finance and wanted to be employed by a bank. I walked off shoe leather seeking to transmit this idea to the banks but I didn't get a sympathetic response.

So, I never got hired by a bank and in those days finance companies were something very new. They seemed to both my father and me to be akin to financial institutions and this is how I got in the finance business.

My father was in the sausage-casing business and was quite a wealthy man. I tried the sausage-casing business for a while, then the jewelry business. But I found that I didn't care for them.

What then?

This is when I began to walk off shoe leather going to the banks. I was pretty brash and, I am sure, much too aggressive. Nobody wanted me.

Well, we heard a little about finance companies which were, of course, installment credit companies in those days.

A dear personal friend recommended a man with whom I might associate. I made the association and we started in November, 1919. By December 31, I knew I couldn't live with my partner.

When I reported this to my father he said he thought that I was much too critical, but one day he came down to the office. He spent a half a day at the office and that evening he said to me, "I think you are right, you'd better buy him out."

I proposed this to my partner, who hadn't put up his funds as yet, though he had allowed me to put up mine. He thought he ought to have a very material profit on this for funds he hadn't put up. This, of course, I was against.

So father said to me, "Well, I will tell you what you do. When credits come in that your associate turns down, you look them over and profess that you think they're all right. You may lose a little but it will be a damn sight less than the premium he wants and you will scare him to death."

This is what I did. In three weeks he was delighted to be out, and I never lost anything on credits, either.

So, by February, 1920, it was

Save Minutes Earn Dollars

Cut wasted time—Increase profits. Get accurate attendance figures, job time and time per part cost figures, automatically.



THE EXEC M33

Install this new advanced design STROMBERG® dual purpose Time Recorder, THE EXEC, and you'll spot lost time. Throw out the old, ring in the new. Then watch your earnings climb. THE EXEC adds a profit partner to your staff. Note: EXEC records verify data for wage and hour requirements.



GENERAL TIME

Progress in the World of Time

Stromberg Products, Thomaston, Conn. 06787

Please send me a brochure and prices of the M33 Dual Time Recorder, along with samples of its attendance and work records.

Name _____

Title _____

Address _____

City _____ State _____ Zip _____

Fire-Fighting HERCULES FILES will protect the records you'll need to prove fire insurance claims.



You must prove fire insurance claims. Records are necessary. Protect them in Hercules letter, legal, ledger and check files. See Yellow Pages under "Safes" for Mellink dealer or



WRITE FOR FREE
12-page fire facts booklet.

Mellink Steel Safe Co.

Dept. 303 • Box 2887 • Toledo, Ohio 43606

Record Safes • Insulated Files • Home Vaults

UNTIL NOW EVERY OFFICE NEEDED 2 MACHINES...

(one to make a few copies and another to make many copies.)

NOW ONE MACHINE...THE NEW DITTO[®] COMBOMATIC[™] DOES BOTH!

**World's first combination
copier/duplicator makes a single
copy or 120 dry copies a minute
for less than 1/4¢ each!**

The new DITTO Combomatic combination copier/duplicator makes copies of written, printed, typed or drawn originals. Inexpensively makes copies of sales bulletins, accounting reports, orders, invoices, listings, manuals...all the important paper work that must get done right now. Duplicates up to 5 colors in one operation. Always ready for instant use. Any more questions on the world's first combination copier/duplicator?



**MAIL CARD
TODAY FOR
FREE BOOK!**



Ditto

A DIVISION OF BELL & HOWELL COMPANY
6800 McCormick Rd.; Chicago, Illinois 60645
(In Canada: Ditto of Canada, Ltd.)

Make MIAMI* your home base... for added profits!

(#1 in the nation for new manufacturing plants,
employees, and payrolls)



Good reasons why Metropolitan Miami is
#1 in industrial development!

1. Plenty of skilled labor available
 2. Low absenteeism, due to benign climate
 3. Favorable tax structure: no state or local income tax for either industry or individuals
 4. Low, low plant-construction costs
 5. Finest transportation, air, sea, rail;
- Miami International Airport leads the U.S.
in air cargo handled

Care to join the leader? We'll be happy to send you a personalized study showing how your business will fit into Miami's growing economy. All correspondence is, of course, held in complete confidence.

*Metropolitan Dade County, Florida

NB46

William J. Branagan, Director
The Dade County Development Department
330 Biscayne Blvd., Miami, Florida 33132

Name _____
Title _____
Company _____
Address _____
City _____ State _____

In Cooperation with the Florida Development Commission

LESSONS OF LEADERSHIP

continued

Walter E. Heller & Co. instead of a partnership.

What sort of business did you handle?

In those days, business was entirely installment credit on automobiles and, of course, our credit was limited. Our capital was \$100,000 and our credit was a \$100,000 loan with the First National Bank of Chicago, guaranteed by father—although I didn't know that.

In August, 1920, I got called in by Mr. Newton, vice president of the First National Bank. He said to me that the bank felt there was an economic change coming and we should reduce the \$100,000 loan.

I asked him what he wanted us to pay. He said, "How much can you pay?"

I said, "In how much time?"

He said, "Two months' time."

So I figured out we could pay him \$40,000.

He said, "You could pay that?"

I said, "Of course."

"Fine."

He was eminently satisfied.

I went back and started collecting. I sweated, stewed and worried, but collected.

In two months to the day I went in to see Mr. Newton. He was glad to see me, asked me to sit down. What did I want?

My temper rose. For two months my attention had been glued on paying him money. Now he didn't know what I wanted.

I said, "I am here to pay you."

He said, "What for?"

I was twice as mad now. I am sure he knew all the time, but did not let on.

I said, "You told me to."

He said, "That's right, that's right. How much was it?"

I said, "\$40,000."

He said, "That's right, that's right. How much can you pay?"

I said, "\$40,000."

And he promptly shot back at me with, "Where did you get it?"

I said, "I collected it, and it is here in the bank."

He said, "Do you mean to tell me that in 60 days' time out of your portfolio, some \$200,000, you collected \$40,000?"

I said, "Yes sir."

He said, "Is that so? Oh, that's all right; forget it. Use your credit line of \$100,000."

So lesson number one is: If you can pay, nobody wants it.

Now, that lesson has so im-

Rent a Chevrolet next time you're out on a trip



'66 Chevrolet Impala Sport Coupe

It'll give you some great ideas to tell your fleet buyer about



**Solid, sound-conditioned
Body by Fisher construction**



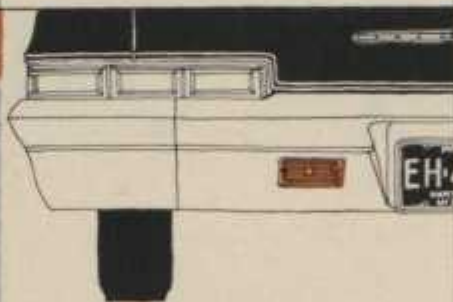
Jet-smoother ride



Fresh, elegant styling



**Spacious, handsomely
laid-out interiors**



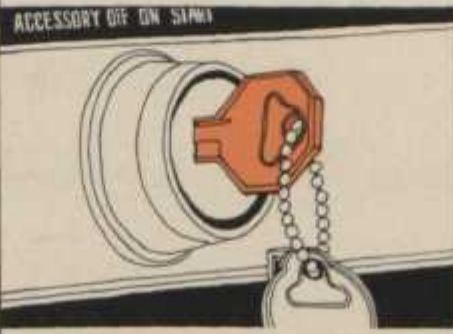
**New safety package of eight
standard features includes
backup lights**



**A whopper of a luggage
compartment**



**Traditionally high
re-sale value**



**Chevrolet dependability that
means lower operating costs**



**America's No. 1 fleet car has
proved itself in businesses of
every size and kind**

Worth asking for



Chevrolet

We can't keep it a secret.

Xerox announces the 720.

XEROX

XEROX CORPORATION, ROCHESTER, NEW YORK, 14650. XEROX OFFICE IN PRINCIPAL U.S. CITIES.
OVERSEAS IN ASSOCIATION WITH XEROX INTERNATIONAL, LTD., 8000 XEROX LANE, LINCOLN, 40024. XEROX AND 720 ARE TRADEMARKS OF XEROX CORPORATION.

It makes 12 copies a minute. After the first 10 copies you pay a penny apiece.

This machine won't be available until this summer.
We just can't wait 'til then to spill the beans.
This machine has three meters on it.
It shifts gears like an automatic transmission, from first to second to third.
Your first three copies cost you four cents apiece.
Your fourth through tenth copies cost you two cents apiece.
After that, a penny apiece (plus the cost of supplies).
You're rolling.
The Xerox 720 is one of several new copying machines designed to
bring the machine to the work instead of bringing the work to the machine.
Chances are one of these machines is custom-made to fit your requirements.

The Xerox 720.



Can you imagine life without Xerox?

LESSONS OF LEADERSHIP

continued

pressed me that we are the only finance company in the United States, I believe, that runs as we do; namely, from the cash we have on hand and what we collect monthly. We can pay our full current debt and, of course, nobody's ever wanted his funds. I must say that I wasn't very grateful to Mr. Newton at the time, but he taught a very rigid lesson.

Would you go into commercial financing again if you were starting out now?

Oh, yes. I find it extremely intriguing because we really get insight into so many, many different types of businesses. Gradually we acquire an enormous amount of miscellaneous knowledge about everybody else's business and it is useful in engaging in other business.

So we get the reputation of being smarter than we really are. It is experience, essentially, and I find it very fascinating.

What has been the growth of Heller & Co. since you started?

Our portfolio was \$619 million at the end of 1965.

I think it is rather interesting that we have never operated at a loss. We have always made money, and my associates attribute that in part to the fact that I am color-blind and can't see red.

This year our earnings will be very close to \$9 million.

Are you now operating internationally?

Yes, we have operations in Spain, Germany, England and Mexico. We participate with a Danish company and have arrangements to participate with a Swedish factoring operation. Undeniably, we will establish other foreign outlets as the opportunity affords.

Your business has become quite diversified, hasn't it?

It started in automobile installment finance. Our first diversification was in 1924. We began to make loans to industry, financing accounts receivable, inventories and equipment, and also discounting installment paper.

In 1932, we put in a factoring division. This is one of those cases where fools rush in where angels fear to tread. We took a good many years to develop a reputation for factoring, but it has developed extremely well, and we do well in it.

The bank closings in the early '30's are what put us in the rediscount business, loaning to other finance companies. Interestingly enough at that time, we had an enormous influx of funds. People, believing the banks were going to close and they would lose their money, wrote checks to pay their bills. We had an enormous influx of funds and couldn't employ them, so we began to phone other finance companies around the country. Did they need money?

They did, and this put us in the rediscount business and we have been in it ever since.

What's the key to your operations?

The essence of all these operations is the rendering of a knowledgeable service. Banks, in our humble opinion, are less experienced and essentially loan money. The vice president is there; he can be talked to; you can seek advice from him. Generally, banks are not as experienced in secured lending and the advice given is very largely by rule of thumb and what is in the book.

Our people know the industries that we loan to. We probably have three or four or more clients in the same industry. We know what their problems are. We know how they should merchandise and we know what percentage should go for advertising.

We know whether selling should be through a manufacturer's agent or their own representatives or whether they need warehouses around the country to move the goods. We know the inside of the business.

It stands to reason the advice they get from us is more useful to them. We seek to justify the fee that we get on the basis of service.

What do you think is the principal skill or quality which has enabled you to build a successful company?

I don't believe I have any special skills or qualities.

We have certain yardsticks by which we operate and which are strongly instilled in our whole organization.

I am a firm believer in equitable dealing. I think the other side has to have just as fair a shake as we do. If a deal isn't mutually equitable, it doesn't last very long.

We like to do our business with decent people. The moral risk in doing our business is of great concern.

We have a keen interest in rendering a proper service. I think the

growth of the business is more attributable to the good words said about us than almost all of our sales solicitations.

I suppose another factor is that I am a very restless soul and very much interested in new opportunities even though they might look untried or perhaps risky until we have had experience. I think the men about me are in accord with the same reasoning—like seeks like.

What do you think are the major skills and qualities which today's manager needs?

This is a very simple equation.

There are all sorts of things he needs—honesty, goodwill, intent, purpose—but the two things he has to have or he doesn't make the grade are courage and vision.

Those are the sheer essentials. Naturally there are other qualities, too, but let's put it this way: If he lacks courage and vision—not one or the other, but both—he doesn't make the grade.

What do you feel is the most useful executive skill that you have learned in your business career?

To pick proper associates, to know people, to know what their qualifications are and use these qualifications to the utmost.

You are known for your ability to pick executives. How do you choose your own executives?

I look for the qualities that I think are necessary to make headway: The courage, the vision, the ambition, the urgent desire to grow, expand and develop, the willingness to assume responsibility.

In this particular business, you can't pussyfoot. You have to make up your mind whether you are willing to have the courage to assume responsibility.

Would you say these are the ingredients of success today in any business?

I think so, very definitely.

You are also noted for making very fast decisions. How do you do it?

Well, that is in your makeup. That depends upon who you are, you know.

If you have the willingness to assume the responsibility, where is the difficulty in making up your mind? The one who has difficulty making up his mind is the one who is afraid of the responsibility.

There is another quality. If you once make up your mind, you have to have the courage not to look back.

If you have done wrong, you



Never!

"When you've got sidewalk telephones you've got real public convenience. Especially in downtown areas at night when buildings are closed and people can't get to phones inside them." These are the words of Douglas W. Ayres, City Manager of Salem, Oregon, in describing the 24-hour service of phone booths on public sidewalks.

"They're modern looking, too—in good taste," he continues. "That adds to Salem's image as a progressive city. Matter of fact, a lot of people here appreciate their looks almost as much as having them so handy."

We'd like to add another sidewalk telephone advantage to those mentioned by City Manager Ayres: 24-hour revenue for the municipal treasury from public telephone commissions.

Ever thought of the public convenience, image and revenue sidewalk

telephones could bring to your community? There's no municipal investment for equipment or maintenance expense. For further information, call your Bell Telephone Business Office and ask to have one of our Communications Consultants get in touch with you. No obligation, of course.



Bell System

American Telephone & Telegraph
and Associated Companies



Keep Ahead

No insult pierces more deeply the skin of business and professional men than being called "old-fashioned." That's why they place such a high premium on keeping up with new ideas, new techniques and new equipment related to their work.

In recognition of this fact, professional and trade associations devote a considerable amount of their resources to gathering, analyzing and reporting data on new developments in their respective fields. Individual members have the benefit of research that's far more exhaustive than they could possibly sponsor on their own.

If you don't belong to such an organization, and are thus denied access to this virtually indispensable service, you are leaving yourself vulnerable to falling behind the times.

Fortunately, you can change this situation, simply by contacting *your association* and asking about membership.

POINTERS FOR PROGRESS

through trade and professional associations

LESSONS OF LEADERSHIP

continued

learn from it. You don't expect to be 100 per cent right by any means, but you can't afford to castigate yourself or to worry if you've done wrong. You make the decision; that is finished; you pick up the next piece.

I will never be impatient with an associate who has done wrong; I have generated too many losses myself.

What are some of long shots you have taken which have paid off?

Well, I think United Artists is one and National Airlines would be another.

National Airlines came to us, a man by the name of Ted Baker who had a small loan venture here in Chicago. He got the franchise in the '30's, I believe, to fly the mail from Jacksonville to St. Petersburg, Fla. He was a flyer and he had no equipment.

So we purchased him the plane and we subsequently purchased some additional planes as the franchise spread from St. Petersburg to Miami and from Jacksonville to New Orleans. We purchased additional equipment for him and he made headway and came to the attention of Lehman Brothers, who financed him from that point on.

But it wasn't good credit judgment to finance him at the start.

But you did it. What made you think he was a good credit risk in spite of the fact he didn't appear to be?

He appeared to be somebody who was earnest and he had vision and courage. You just had the feeling that this young fellow was going to make the grade.

What about United Artists?

Well, the story is an extremely interesting one.

The war was on in '42, '43 and the demand for our funds was meager.

Somebody called our attention to the motion picture industry, which was going great guns.

In those days the studios had the big stars signed up, but most of the stars had permission to make one or possibly two pictures a year independent of the big studios.

Many of these independently made pictures were released through United Artists, which was organized for just this purpose—first for Mary Pickford, Douglas Fairbanks and Charlie Chaplin, and then for



THE WORLD'S BEST KNOWN GREETER.

Wherever businessmen meet, there is likely to be a Cadillac at the scene. For no other fine car reflects so well its owner's good judgment of value and his respect for the comfort of his business associates. The quiet luxury of a Cadillac makes it virtually a conference room on wheels.

And aside from its impressive stature, a Cadillac is surprisingly economical to operate and maintain, and it will return a higher percentage of its original cost at trade-in than any other car in its class. See your authorized Cadillac dealer for a sound business investment.



Cadillac Motor Car Division

Standard of the World



Cadillac

LESSONS OF LEADERSHIP

continued

David Selznick and for any independent ones thereafter.

At that time it was owned by Pickford and Chaplin, who never spoke to each other. If she said it was white, he said it was black and vice versa.

They never had any use for each other and never cooperated. They had in management a man who just raised havoc with the business.

We had been doing some financing of independent producers and got called in and were asked if we would finance United Artists.

We knew the conditions and could see a very big opportunity for United Artists under proper management. We knew Arthur Krim who belonged to the firm of motion picture attorneys of Phillips, Nizer, Benjamin & Krim. We had some business with Krim as head of Eagle Lion studios.

We suggested to Krim that this afforded a great opportunity.

The opportunity represented a drastic move to Krim. He was understandably fearful, but he consulted with his associate Benjamin and, on our urging, they began conversations with Lloyd Wright, the attorney for Chaplin. Finally they were told they could have Chaplin's whole interest—which was 50 per cent of the firm—for nothing the moment they put United Artists in the black.

They came back and wanted to know where they would get the funds to operate. We checked within the industry and found out producers would release through them. There was respect for them; they had the goodwill of the industry.

We gave them all the funds we could on a secured basis, and they have made an unbelievable success.

What advice would you give a young man starting out in business today?

He must find something he likes to do, something that intrigues and fascinates him.

He must concentrate on it, and he must work hard and have courage and vision.

He's got to like what he wants to do. I don't think anybody makes a great success unless he is really fascinated by what he is doing.

How do you judge the potential of a company, deciding whether it is a good risk?

The first consideration is the moral risk. The second consideration is: What is the intent and purpose of the company? How does it fit into the economy? Has its product got a place?

Thirdly, if we meet their requirements, is this only the beginning or will the requirement spread to a point where perhaps we should not accommodate them anymore because they can't collateralize us. If that is in prospect, we think twice.

But if their budget figures, prepared by us, indicate that they can profit from the funds we supply and the moral risk is good and the product has a place in the economy and we can be properly collateralized, we will do business.

How do you see the future of the commercial finance industry?

The most virgin fields, of course, are outside the United States. We are expanding in them as rapidly as we can get associates and are privileged to do so. Our foreign operations are presently in Germany, England, Spain and Mexico.

We think the expansion in foreign fields is going to be very profitable and very large as time goes on.

Do you think that U. S. business is stretching its credit too far?

Yes, definitely.

Can you say why?

From our experience, credit has been used as a weapon to accomplish sales. A stronger company, feeling that it has an advantage over a smaller company, extends very long terms, making it difficult for the smaller company to compete. Then he who got the benefit of the longer terms promptly begins to extend them to his clients. The whole economy at the present time hinges on the extension of credit.

Everybody is urged to take his time in paying. There is constant competition for a longer period to make it easier. The demand upon the banks is very heavy. Their loaning ratios are heavier than for a long time past.

In my opinion, it is undeniably hinged on the complete and constant use of credit.

What do you think the outcome of this will be?

The outcome, of course, is undeniably an adjustment.

If the war in Viet Nam would end, the adjustment would come

very rapidly. If the war in Viet Nam doesn't end, it is a little harder to foresee how the adjustment can take place, because you have an inflationary trend. You have heavy deficits in government operations. You have persistently rising costs despite government interference, which means prices have to be raised.

People always buy on rising markets and if the credit is extended, they will continue to do so.

At the present time, however, there are signs that the well is running dry.

But does anybody know whether the government will prime the pump and make credit available again?

I won't prophesy, but I won't be one wee bit astonished if, before the year is out, the economy begins to undergo an adjustment because it is overheated.

Do you think that today's opportunities for rags-to-riches success are becoming too limited?

No, indeed. The opportunities are just as fine as they ever were.

They are in different fields and different directions, but we see these opportunities around us all the time. Young people with young ideas want backing and make fabulous successes.

It probably takes somewhat greater astuteness and a better knowledge of conditions to make headway than it did many years ago, but the opportunity is here, all right.

You have a reputation as a man of unshakable equanimity. How do you maintain it?

If you mean to say that I don't get readily alarmed or don't pre-judge, yes, I think that's true. However, my so-called equanimity does not deny me the luxury of a temper. But you know, if you get buffeted over the years you gradually find that your sensibilities aren't as sensitive as they were before. You don't get as enthusiastic and you don't get as alarmed. You rather wait for things to develop. I think that probably, if there is equanimity, this is where it comes from. **END**

REPRINTS of "Lessons of Leadership: Part XI: Spotting the Seed of Success" may be obtained for 30 cents a copy, \$14 per 100, or \$120 per 1,000 postpaid from Nation's Business, 1615 H St., N.W., Washington, DC. 20006. Please enclose remittance with order.



This is the new Royal 440.

It does more than any other manual. Faster. Easier. Here's the proof.

The Royal 440 is the most advanced manual typewriter ever. It types faster and easier than all the others. Only Royal combines all these work-saving innovations in one rugged, reliable typewriter. The incomparable 440. Available now from your Royal representative. He's listed in the Yellow Pages.

	Royal 440	All Other Manuals
Control center just above keyboard for tab setting and clearing, color control and touch adjustment.	Yes	No
Finger balanced keyboard compensates for typist's varying finger strengths.	Yes	No
Widest touch control range of any manual.	Yes	No
Type bar acceleration provides light, responsive touch.	Yes	Yes
Magic® Tab — a touch of the key (without holding) provides instant tabulation.	Yes	No
Delayed ribbon carrier pickup prevents ribbon from obscuring typing line.	Yes	No
Carriage controls within easy reach from cylinder-knob grip position.	Yes	Yes
Magic® Margin for instant margin setting.	Yes	No
Plastic cartridge for quick, clean ribbon change.	Yes	No
Upswept lever for easier carriage return.	Yes	No
Automatic paper lock provides more pressure to keep paper aligned right to the bottom of the sheet.	Yes	No
Four uniform scales built into typewriter like a set of rulers with zeros set at the same place.	Yes	No



Preventive maintenance

HERE'S A LIFESAVING PLAN FOR YOUR BUSINESS

Experts describe potential
benefits for your business

Authors EVERETT H. BELLOWES and MAC ROY GASQUE, M.D., know a lot about saving lives and money through employee health programs.

Mr. Bellowes, former director of personnel of Olin Mathieson Chemical Corp., is now vice president, staff services, in Olin Mathieson's aluminum division. He has also had wide experience in government.

Dr. Gasque is corporate medical director of Olin Mathieson. He is a graduate of the University of Virginia school of medicine and a diplomate of the American Board of Preventive Medicine. He has taught medicine, as well as practiced it.

You can control sickness and disability costs. Your profits depend on it.

Every alert businessman knows that employee sick leave, insurance premiums and other disability payments are a big part of his costs. But many have assumed sickness and disability are inevitable, that an employee's health is a personal concern not within management's scope of attention.

Wrong, all wrong.

Why? Look at the dimensions of the problem. According to U.S. Public Health Service figures:

Salaried employees lose an average of four and one half work days a year, hourly employees six and one half days, because of sickness and disability.

One out of every two employees reports "one or more chronic conditions."

Employees average 1.5 acute illnesses a year.

One person in five in the labor force will be injured during the year.

One employee out of 12 will be hospitalized during the year.

Over 76 per cent of the labor force has hospital insurance and 71 per cent has surgical insurance—and a great part of both is paid for by employers.

What does all this mean to you as an employer? It means time paid for but not worked. It means high insurance premiums that will grow higher as unions continue to press for wider coverage and larger payments. It means that, unchecked and uncontrolled, the costs of sickness, early worker obsolescence and premature death will continue to mount.

And it means that industry will foot the bill.

Look at one employer, a large employer to be sure, but in no way atypical. He receives no productive work for one fourth of his payroll costs. In 1964, this portion amounted to \$6.1 million, and almost one sixth of it represents the cost of group insurance premiums and direct medical benefits paid by the company. This expense should be considered a controllable cost for at least two reasons.

First, the largest portion of this expense—well over \$6 million—goes for group insurance premiums on experience-rated policies. So these are payments management can influence by its policies and actions in the areas of safety and health.

Second, early detection of a health problem can, of course, minimize its impact. Thus, a periodic physical examination means less frequent or shorter absences for illness, an increase in longevity and a decrease in benefit payments and insurance premiums on experience-rated policies.

The terminal illness of a salaried employee can well cost a company \$25,000 in identifiable costs and several thousand dollars more in indirect costs. Consider the example of an employee making \$12,000 a year who has several years in the company. Typically, the company will be paying for ordinary group life insurance in amounts at least equal to annual salary. In this case, let's say the policy has a face value of \$15,500. So the first item of cost is \$15,500. This policy is experience-rated, so the

**Give it everything you've got—
we sure did.**

Give it the gun.

Give it the treatment.

Give it the works.

**But most of all . . .
give it a try.**

**Dodge toughness doesn't cost any more.
Why settle for less?**



**ONLY DODGE HAS
V8 POWER
IN COMPACT TRUCKS
PLUS TWO HUSKY SIXES**

Dodge Builds Tough Trucks

DODGE DIVISION



CHRYSLER
MOTORS CORPORATION

PREVENTIVE MEDICINE

continued

company's premiums will ultimately cover this payment plus an override for insurance administration.

Since this is a terminal illness and not, say, an abrupt coronary and since this is an employee of several years service, the payments for extended sick leave preceding death can easily be a half year's salary—therefore, \$6,000. This company, like many others, will pay one month's salary (\$1,000) upon death to the employee's surviving spouse. This lifts the cost to \$22,500 with no allowance for expenditures under group medical insurance which in due course will be reflected in the company's premiums.

There is the additional factor of workmen's compensation if the terminal illness (or accident) is service-connected. Or in the more likely possibility that the illness is non-occupational, accident and sickness benefits of \$60 a week for 26 weeks would be paid over and above sick leave, adding possibly another \$1,560 to the \$22,500.

Then there are the hidden costs in loss of productivity and loss of skills and experience. Add to these the new out-of-pocket costs for recruiting and training or upgrading a replacement.

No manager would consider comparable costs beyond control if he were dealing with plant buildings and equipment. He would institute a program of preventive maintenance at the very least. He might try to do something imaginative about the early obsolescence of machinery and equipment or to improve the productivity of his equipment and processes. Should we, as managers, do any less about our chief resource—people?

Compassion aside, it will pay in hard dollars and cents to do more.

There are enough data in hand now to demonstrate that a reasonable investment in a well-conceived preventive industrial health program will cut costs in direct medical benefit payments and will minimize group insurance premiums.

What is a well-conceived preventive health program for a business?

It is one that through pre-employment physical examinations minimizes the assumption of risk by the employer and assures the proper placement of the newly hired person.

It is one in which all employees are given periodic physicals at intervals suitable to the age of the employee and to the circumstances within which he works—possible exposure to noxious chemicals, for example.

Where something is wrong, it is a program of referral to the family physician, the outside specialist, clinic or other community resource; it is not in-house therapy.

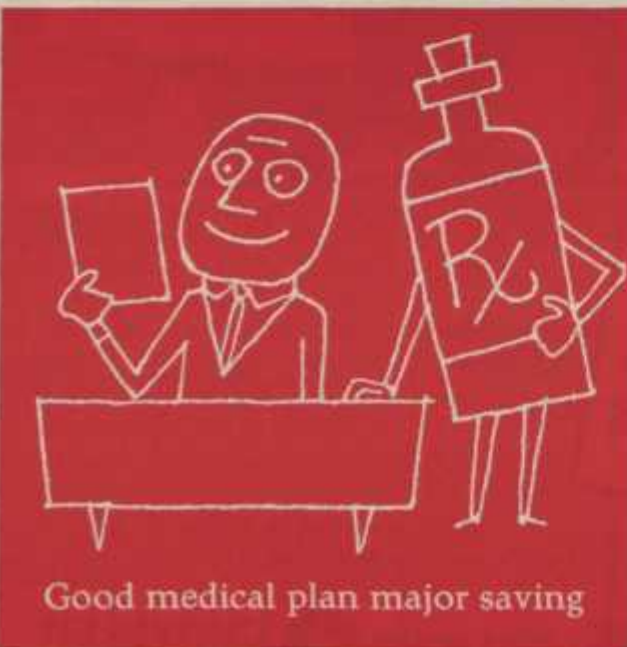
It is a program of health education bulwarked by special voluntary services. Such special services could include "flu" shots or other immunization. And health education itself can take many forms: Individual counseling, health bulletins, posters to encourage the employee to use his personal physician and to accept responsibility for his health maintenance. Finally, it is an occupational health service. First aid,



Costs can mount

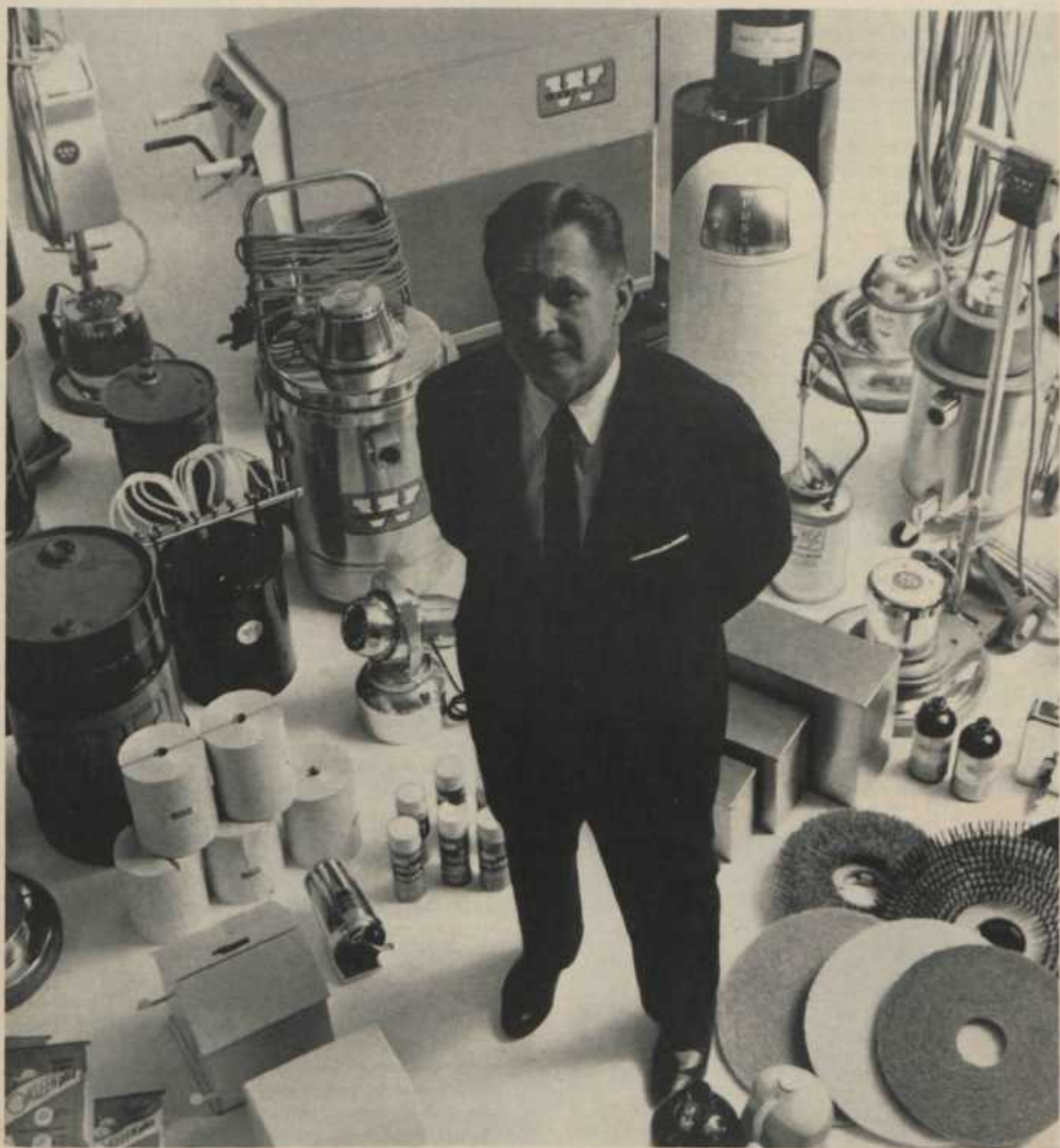


What about people?



Good medical plan major saving

Somewhere in this array of bottles, jugs, receptacles, machines, drums, dispensers, sprayers, and men there's a solution to your maintenance and sanitation problems.



It's called a phone call. A phone call to the nearest office of West Chemical Products. We make everything to keep just about anything clean and sanitary. We even make products that nobody else makes. Instead of buying a disinfectant here, paper towels there, a floor cleaner somewhere else, you can make one call to West and get it all. Plus professional

advice on how to get the job done faster, easier, and more economically. And, if you wish, a service to keep washrooms clean and sanitary.

So if it's your responsibility to worry about keeping something clean, from a two-stall washroom to a skyscraper, go West. Make one phone call to your nearest West office; there are more than 60

of them in the United States and Canada. See your telephone directory.

It's the cleanest, fastest way to wash your hands of maintenance problems.

Go WEST

WEST CHEMICAL PRODUCTS, INC.
LONG ISLAND CITY, N. Y. 11101

PREVENTIVE MEDICINE

continued

the treatment of simpler on-the-job injuries, the aspirin and nosedrops that will keep an employee on the job.

How will such a program cut your cost of doing business? Let's be specific. A midwestern plant employing 595 people put such a program into effect the day that plant went into production seven years ago. The cost per employee for sickness and disability payments, including insurance premiums, is \$61 a year. In an older plant of 476 employees where no coherent health program has been in effect, the cost per employee is \$372 a year. The per capita cost of operating the medical department at the former plant is \$89 a year, so even the combined \$150 cost per employee is \$222 less than the cost at the plant having no program. Quite obviously, no two plants provide absolute comparisons. Nonetheless, one cannot attribute wide differences occurring year after year to chance alone.

Let's look at another specific situation. We have a 12 year record from one plant in which again a model program of preventive industrial health was begun and consistently maintained. In one item alone—hospital and surgical insurance—the claims filed by employees at that plant were, year after year, 10 to 28 per cent below the expected rate based on actuarial calculations for plants of comparable size in comparable industries within that state.

As a result, annual savings in the form of reduced premiums have risen steadily. In 1964, the saving was \$70,740—almost three fourths of the medical department's annual operating budget of \$98,630.

As further proof that costs of sickness and disability can be controlled, look at the incidence of major abnormalities revealed through the periodic physical examination of 1,905 salaried employees at

one office. These examinations disclosed that 470 employees had a total of 632 major abnormalities. If corrective action can be taken, or at the very least the health deficiency kept under control, these 470 people are going to be more productive at work with fewer absences. And costs to the business for sickness, disability and death will be less.

Let's examine more deeply what such an affirmative approach to employee health can mean to management.

Obesity and hypertension go hand in hand. These conditions were encountered 390 times among the 1,905 persons examined. The medical destiny of a large number of these employees is early disability or death from a stroke or heart attack. Control of this problem was accomplished first by getting them under the care of their personal physicians. After that, they were called into the medical department to check their weight and blood pressure. But most of all to see if they were following the instructions of their physicians. The life and vocational expectancy of these people can be very favorably modified by good medical follow-up and management.

Of the 21 diabetics encountered, six were previously undiagnosed and seven others were not under medical supervision. These 13 employees were immediately brought under continuing medical care, and the remaining eight suspected cases will be periodically checked.

It cannot be stressed too strongly that the early detection of disease allows treatment when it is most effective and least expensive.

For example, in one group of approximately 500 female workers who have been followed in a gynecological survey in the last nine years, 11 malignancies were discovered. All the women involved were referred to appropriate sources of treatment. All are alive, none has quit work because of the malignancies.

Emotionally disturbed workers function at a low productive level. An industrial medical department, if it is psychiatrically oriented, can often provide emotional first aid which will be sufficient to support workers at an acceptable performance level. The deeply involved employee should be relieved of decision-making responsibility, and referred for more specialized care.

Management that does not apply the concept of preventive maintenance to its employees with the same zeal given the maintenance of physical assets is woefully behind the times. Obvious out-of-pocket costs and hidden indirect costs, both in large measure controllable, bleed away profits.

A constructive program of preventive health maintenance does more than stop the hemorrhage. It contributes to higher productivity, through employee morale and the sheer physical capacity to do an effective day's work year after year. **END**

REPRINTS of "Here's a Lifesaving Plan for Your Business" may be obtained for 25 cents a copy, \$12 per 100 or \$90 per 1,000 postpaid from Nation's Business, 1615 H St. N.W., Washington, D. C., 20006. Please enclose remittance with order.



Obesity is hazard



Get the paper towel with a thirst for water

The more absorbent a paper towel, the better it does the job. Fort Howard paper towels have that all-important he-man thirst. That's because of Fort Howard's exclusive "cross-knit" process...one does the job. You don't need three or four. Fort Howard's "cross-knit" process, incidentally, is what makes our paper towels soft enough even for delicate skin.

Your Fort Howard Paper Man offers this



kind of exceptional quality in a wide variety of paper towel sizes, rolls and folds to fit any cabinet. In fact, he offers one of the world's largest selections of sanitary paper products.

So, for all your paper needs, see the Fort Howard Paper Man (he's your paper wholesaler), or write direct to our headquarters at Green Bay, Wis.

Fort Howard Paper Company

Paper is our middle name.

See the Fort Howard Paper Man

Paper Towels, Paper Napkins, Toffet Tissue, Printed Specialties for Offices, Industrial Plants, Schools, Restaurants, Hotels, Institutions



It takes a leader to build a compact, low-cost, high performance diesel for short-haulers

Now even short haulers can enjoy the economies of diesel operation.

The reason—two totally new V-8 diesels by INTERNATIONAL—the exclusive DV-462 and DV-550! Like all diesels they're economical to run and maintain. But unlike any diesel till now, they're compact, high-revving engines governed at 3200 rpm.

Their broader range lets them perform like gas V-8's. And you can combine them with the same power-train components.

The 185 hp DV-462 is standard in our CO-1950 cab-over, COF-1950 cab-over tandem, FLEETSTAR® 1950



and FLEETSTAR F-1950 models. The 210 hp DV-550 is optional on all these models.

Call your INTERNATIONAL Dealer for more information on the new DV-Series diesels. You'll find him listed in the Yellow Pages.

**INTERNATIONAL
TRUCKS**

International Harvester Company, Chicago, Illinois

THOMAS JEFFERSON

continued from page 77

merce. But if you are a businessman, watch out. You may be put to the inquisition, and your company may be subjected to a \$100 a day penalty if you fail to respond promptly. The Federal Trade Commission has so ruled.

"As for *lettres de cachet*, in some states a businessman may be held without benefit of counsel and without trial by a government agent (not a policeman) until he answers questions pertaining to the economy.

"You know," Mr. Jefferson went on, "some politicians who publicly cry for the illiterate's right to vote, privately confide in the bosom of their own intellectual gatherings, 'only the elite are fit to govern.' Politicians pay the price of hypocrisy for election, just as employees of corporations pay the price of silent acquiescence for government contracts.

"Why shut the door on all voices except consensus? Is it for fear one's soul might hear and come out and make a scene?"

Mr. Jefferson was obviously moved. As I looked over his bent shoulders, the tall white pillars of the entrance made a frame for the sharp, white needle of the Washington Monument, against the blue-black sky.

Facing Louis XVI's problems

Mr. Jefferson continued: "It is the best of times. You are producing goods and services at the rate of well over \$700 billion this year. When the Great Society has reached the apex of material utility, man will have gained the whole world. He may be rich in everything but himself.

"Yet it is the worst of times. America faces many of the same problems today that beset France in the days of Louis XVI. Then the monarchy was engaged in creating its own decadence. Today the Great Society is democratizing decadence. Your liberal consensus is pouring out many billions of dollars a year—much of it on 252 separate welfare programs, yet the number of illegitimate births in the last decade is more than half the entire population of America when I was born.

"Your population is increasing by leaps and bounds, but crime is increasing four times faster than your population—juvenile crime, five times faster. In New York



Why Jerry Jerome uses a postage meter to mail 12 letters a day.

From one small cheerful room in his Long Island home, Jerry Jerome writes creative music and copy for many famous national advertisers. But the business end of creating and recording TV commercials involves lots of paper work, and the problem of playing post office was a needless complication. Especially in a suburban area where the post office closes promptly at 5:00 P.M.

"I used to be out of stamps all the time," says Mrs. Jerome. "It used to drive me wild. I thought how nice it would be to keep two or three months' postage in a postage meter and then I wouldn't have to worry, even though I mail only a dozen or so letters a day."

Mailing W-2 Income Tax forms, union contracts, residuals, repayments, what have you, to the musicians employed by Jerry Jerome Productions points up the real utility of a dial-your-own postage meter. A postage meter, like a typewriter, or a telephone, is a business machine. It saves time and fuss and aggravation.

Why don't you take a look at one? You'll find that you don't have to be big to appreciate a Pitney-Bowes postage meter.



Pitney-Bowes

Postage Meters, Addresser-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mailopeners.

For information, write Pitney-Bowes, Inc., 1303 Pacific Street, Stamford, Conn. 06904.

**Can something
that the customers
prefer actually save
management money?**

**"Yes," says
ZCMI Cottonwood,
smart suburban store in Salt Lake City,
"Fairfax cotton toweling does just that."**

ZCMI Cottonwood is a beautiful branch of America's first department store. ZCMI sums up the merits of Fairfax cotton toweling (which American Linen Supply of Salt Lake City supplies for them) just this way. "Fairfax not only reduces fire hazards, creates less plumbing problems, establishes lower maintenance (i.e. janitors, attendants, etc.), but it encourages better housekeeping and caters to both employee and customer preference as well." Nicest part of all though, cotton toweling has racked up savings for ZCMI. Whether you're in the store biz, big biz or small biz, see how linen supply can work for you.

You buy nothing! Your dealer furnishes everything at low service cost—cabinets, pickup and delivery, automatic supply of freshly laundered towels and uniforms. Just look up Linen Supply or Towel Supply in your classified phone book, and always specify



MARTEX® and FAIRFAX®
twin names in quality towels

Wellington Sears Company, 111 West 40th Street, New York, N.Y. 10018
A Marketing Subsidiary of West Point-Pepperell, Inc.

THOMAS JEFFERSON *continued*

City public housing furnishes the disadvantaged with apartments costing \$15,000 each, with tree-lined malls, playgrounds and the other amenities of gracious living. And with more police protection assigned to it than the rest of the city, it has a crime rate even higher.

"The businessman hates the increasing role of government in the marketplace, with its political favoritism—playing one man against the other; its double standard of morals—subsidies, grants-in-aid, benefactions for some, paid by taxes from others; exceptions from antitrust laws for some, jails for others.

"When I was Vice President of the United States, we sent a peace mission to France—Gerry, Pinckney and Marshall.

"Talleyrand's brokers, referred to in 'the public prints as Messieurs X, Y and Z, sought to obtain a bribe from them. The public indignation at the attempt to obtain a bribe from American officials was overwhelming.

"But today secret bribery, with millions of unvouchered funds, is an important part of the State Department's foreign policy. Debate either by Congress or the man on the street centers not around its morality, but are you getting your money's worth?"

With that, Mr. Jefferson bowed to me, turned and slowly made his way across the marble floor. His academic robe, his white combed wig, his stately figure, all proclaimed here, indeed, was a great and historic figure.

Once again the fog drifted in and circled about the base of the bronze statue.

A faint glow showed in the east. Mr. Jefferson walked slowly toward it.

He turned and faced me sternly for the last time:

"Your Founding Fathers gave you a republic, which guarantees a division and balancing of authority as opposed to the concentration of power of a king in a monarchy, of a demagogue in a pure democracy or in an overzealous court.

"Tell our friends that until there is but one code of morality for men whether acting singly or collectively, that government is best which governs least."

A silvery mist gathered about him. He was gone. **END**



**Put a mathematical wizard to work.
Total salary: \$625.**

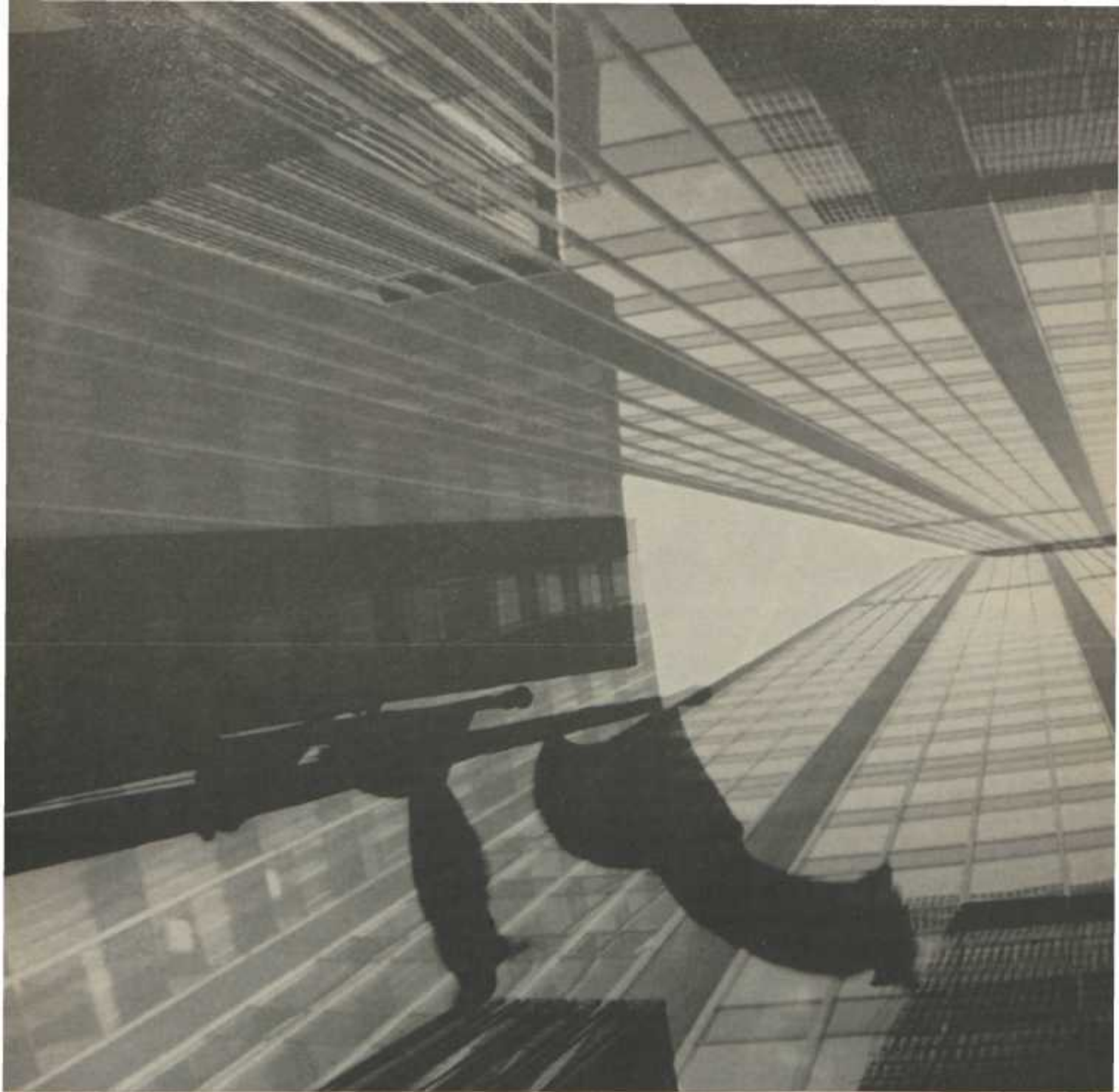
Owning a Divisumma 24 is like having a skilled assistant at your fingertips. An extremely flexible high-speed calculator, it cuts time and figure-work costs. Easy to operate, too. Divisumma

24 provides error-free answers without re-entry of intermediate figures. Intermediate products and quotients are automatically retained in its memory. Results are permanently recorded

on tape, with symbols identifying each operation. Call us today for a demonstration. Wherever you are, you'll find Olivetti Underwood sales and service. We're listed in your Yellow Pages.



olivetti underwood



Yesterday 55,000 offices had the best desk-top copier around. (It was our main competitor's.) Today it's out of date. Because today Mr. Bruning unveils his new 3000 desk-top copier.

It copies from books. (Our main competitor's can't.)

It makes full-size copies of $8\frac{1}{2} \times 11$ originals. (Our main competitor's can't.)

It reduces legal size pages to $8\frac{1}{2} \times 11$ copies. (Our main competitor's can't.)

It makes sharp copies of halftones,

solids, any color paper... sits on a desk, table or special stand that keeps supplies handy. And it can be rented, leased or bought. In short, the 3000 makes better copies of more things in more sizes, often at less cost... and it copies from books.

Your Bruning man is waiting now to demonstrate the 3000 electrostatic

desk-top any time you say. You'll find him under Bruning or Addressograph Multigraph in the Yellow Pages of 155 major cities. Or write Dept. A, Mt. Prospect, Ill.



Bruning
Division of Addressograph Multigraph Corp.



Bruning is a U.S. Reg. Trademark of A.M. Corp.



TAKE STOCK

Personal inventory will disclose your assets and liabilities

How can you, as a businessman, best evaluate your progress and prospects?

This is a good time of the year—when you cast up your accounts for tax purposes—to take stock as well of your intangible assets and liabilities.

The traditional method for measurement is to compare your qualities with a known standard. A manager checks his salary against the average in his occupation. He compares his educational accomplishments with those of men with whom he is competing. He compares his age with others to see whether—in the same time span—he has risen higher than they, or fallen short. He goes to the doctor, who compares his health with the norm. He looks at insurance tables to determine his life expectancy. These things he should do to get a better understanding of this man who he is.

But he needs to know something more about his particular make-up. Just as we are aware of the uniqueness of fingerprints, we know that every individual is a distinct personality. What's needed is a technique for discovering whether our personal patterns are good or bad, assets or liabilities.

This can be done, at least partially, by asking how our various characteristics relate to each other. If they are out of proportion we should know this. Sometimes the patterns should be adjusted. A lack of ambition in a healthy young man is an example.

A submissive salesman who spends his recreation in isolation, rather than with friends, is another. An executive who tries to do the work of his subordinates to make sure it is done right, or an account-

ant who mixes up his data until his reports are badly confused, are further illustrations.

The task then, is to put aside one's self-concept and look for poorly proportioned elements in one's own make-up.

One way to do this is by fact comparison. The method is simple:

Take some cards numbered consecutively. Write a single descriptive fact about yourself on each card. For instance:

1. Age, 48.
2. Education, college.
3. Business experience, 23 years.
4. 25 pounds overweight.
5. Married 10 years.
6. Three children.
7. High blood pressure.
8. Read newspapers only.
9. Salary, \$15,000.
10. No civic activities.
11. Recreation, spectator sports.
12. Estimated assets, \$75,000.
13. And so on.

Keep at it until a good array of personal facts has been assembled.

It will do no harm to list facts that are relatively unimportant. They will simply add a few minutes to the analysis without doing any damage. To leave out critical facts, however, would leave the self-examination incomplete.

To provide a check list of personal questions would stereotype the procedure. But if the individual needs help in looking for facts about himself he might make his own list under various headings, such as: health facts, educational facts, social facts, job and career facts, family facts, and the like.

The second step in the procedure is to place the numbered cards in line from one on up. Then take card number one and compare it with every other card. Repeat with

How to do a personal inventory:

1. *List facts about yourself such as age, salary, interests, etc.*
2. *Compare each fact with all others listed.*
3. *Spot facts that are harmonious.*
4. *Spot facts that clash.*
5. *Take action on those that don't fit you.*

OF YOURSELF

cards two, three, four, and so on until each card has been compared with every other card.

Both harmonious and inharmonious combinations will appear from these comparisons. Harmonious combinations indicate nothing in particular and can be passed over. For instance, "age 48" and "a college degree;" or, "married 10 years," and "three children," are examples. No further attention is needed for these proportionate items.

But there will also be inharmonious pairings which require attention. When examined, these will either win approval or disapproval. For instance, "28 years old" and "president of the company" would win approval since 28 years seems young for this attainment.

It is a good idea to record these favorable pairings and set them aside for further attention even when they call for no immediate action.

An unfavorable pairing, however, such as "48 years old" and "high blood pressure" warrants disapproval. Something should be done about it.

Turn back now to the personal facts from (1) to (12) listed above. If one makes all the single comparisons called for among the items named here, three inharmonious groups will be found. One of these groups, including three items, is the comparison of age with overweight, with high blood pressure, and with exclusively sedentary recreations. (Sedentary recreation may be all right if a man's work requires much physical activity.) This group needs attention. This man should probably seek directions from his doctor to get both his weight and his blood pressure back to normal.

The second inharmonious group in the listing above is: college education, but present reading limited to newspapers only. A formal education opens up the mind but does not perpetually fill it. Unless this man uses his mind a bit more it will become stagnant. He would not expect to exist on hot dogs indefinitely because he had a good diet in college, or is too busy now to stop for lunch. His mind needs food just as his body does. Business journals, at least, should come to his attention.

If there is any time available, background reading in economics, sociology, or history would stimulate his mind.

The third group of poorly proportioned elements is that of: no community participation, with a \$15,000 salary and with estimated assets of \$75,000.

Biographies of successful businessmen indicate that most of them have outside interests.

A man with these assets and salary should be reacting to his whole community.

So his inventory tells this man he should do three things: give immediate attention to his health, give better employment to his mind and, finally, take a part in some community activity.

Then, every 12 months he should repeat the prescription for self-analysis.

Important personal facts may have been overlooked the first time. Besides, everything changes as we live through a year. Periodic check-ups are called for to find elements that have gotten out of proportion. If these imbalances are corrected, a person can keep moving ahead whenever opportunity beckons.

—JAMES D. WEINLAND

A mayor tells How to modernize



PHOTO: BLACK STAR

Herman W. Goldner, the author, is a businessman-attorney who is serving his third term as Mayor of St. Petersburg, Fla. He is a member of the Board of Trustees of the U. S. Conference of Mayors and a member of the President's Advisory Commission on Intergovernmental Relations. Mr. Goldner is senior partner in the law firm of Goldner and Marger and president of the Citrus Broadcasting Corp.

America's cities

President Johnson wants "a massive program," to attack the problems of America's cities including "demonstration cities" in slum sectors and model communities in the suburbs, teacher corps in slum areas, rent subsidies and anti crime and anti pollution programs for urban areas. This is all in addition to an array of existing programs.

Against this background, *Nation's Business* presents the views of an authority who feels federal efforts are best devoted to enabling localities to solve their own problems.

Too many of our ailing cities today are calling for massive doses of federal aid as a cure-all, complaining bitterly that they do not have the resources to heal their own maladies.

They are wrong. They have potential cures at hand if they will honestly seek them out.

Most of our urban areas are stopped tantalizingly near to solutions by archaic laws and equally out-of-date thinking. They need not only more money but new systems and tools—from super-cities to computers—to help meet people's needs.

If most of the nation's municipal governments were private corporations, they would be out of business when the next payroll comes due because they cannot build the fiscal and organizational resources needed to carry on.

No sane businessman would dream of structuring a corporation which has obligated itself to provide millions of dollars in services, maintenance and capital improvements without adequate income.

No sane businessman would consider forming a corporation which must rely upon its "competitors" for revenue.

Yet municipal governments, as they exist today, are comparable to private firms which have gone into business without the ability to sustain their endeavors financially.

Our cities and urban areas must rely primarily upon sources of income already tapped by their "competitors" in government—the county, state and federal systems.

And when our cities find they cannot function fiscally, they begin to call loudly for help and too often the first call is for federal cash and lots of it.

Our cities, often neglected in the past by unsympathetic state legislatures, expect some return on the federal taxes paid by their citizens.

Massive federal aid, however, can mean an atrophy of municipal self-reliance. It causes a breakdown in planning to meet future needs; the feeling is that "if we run into trouble we can always go to Washington and hook onto some program or other."

It leads, furthermore, to a distortion in allocation of local resources on a sound priority basis. The temptation is great to concentrate local spending on projects for which federal grants are available, regardless of need.

Urban problems must be solved at the urban level. The federal government should lend financial assistance only in those areas meeting basic criteria, the most important being that an honest local effort has failed.

This is not to deny Washington's responsibility, which exists if only because federal spending ul-

timately taps the same till as local government. But straight substitution of federal programs for local programs is wrong.

The true federal responsibility, it seems to me, is to create an environment wherein the cities can better solve their own problems with their own resources.

Municipal officials, myself included, jump at the opportunity to testify before congressional committees and point out that the 220 Standard Metropolitan Statistical Areas (SMSA's) as defined by the Bureau of the Census contain over three fourths of our people. We emphasize that in these areas occur most of the poverty, delinquency and traffic congestion in the country and that these are national problems requiring financial aid in large doses.

However, there are some other shattering facts about these SMSA's and their own financial potentials which we mayors fail to mention:

- They account for three quarters of our bank clearings.
- They account for four fifths of all value added by manufacture.
- They contain four fifths of all bank deposits.
- And most important of all, at least 80 per cent of all federal personal income taxes are collected from people within their boundaries. The personal income tax is the major source of federal revenue from which federal grants-in-aid are financed.

Of course, the difficulty is that within the SMSA's the problems (poverty, crime, etc.) are not in the same jurisdiction as the fiscal resources. Combined action by state and local governments is essential to meet these disparities. One of

MODERNIZE CITIES

continued

the questions we in municipal government must honestly begin to ask ourselves is:

Are federal funds too often taken by local governments simply because they are available?

We must soon seek the establishment of realistic criteria for the giving and receiving of federal funds by local governmental units. I suggest some of the points to be considered are:

1. Is there a real need for federal funds for the particular local program for which they are sought? How urgent is that need and what is the honest ability of the local government to meet that need?

2. What realistic formula can we agree upon to indicate the amount of local effort being brought to bear upon the particular problem for which federal funds are sought?

3. Can this formula include an honest appraisal of the tax base in use by the local unit and can it determine the extent to which the local unit is taxing, or otherwise seeking to raise money, to meet its needs?

In addition, I believe we must have some hard and fast guidelines outlining the scope of federally funded local programs. When do they begin, how broad an area do they encompass and—most importantly—when do they end?

As one of four mayors serving on the President's Advisory Commission on Intergovernmental Relations and now nearing my fifth year of service in a metropolitan city, I find myself becoming increasingly aware of some municipal facts of life.

My fellow members in the U. S. Conference of Mayors, I find, also are becoming more aware of these facts.

Needed: courage

Most of us have the revenue potential to enable us to survive without massive federal aid. Few of us have the political courage sincerely to use this potential.

This revenue potential is available to us in the form of state or municipal personal income taxes. It is almost the only local level tax which can grow with the economy. It can be a revenue source to supplant, in part, massive federal aid.

The federal government—if it is sincere and honestly means what it seems to say about assisting urban areas to meet their problems—

must provide a realistic tax break to enable these state and local governments to consider some form of personal income tax to finance programs.

Such a cutback, or refund to persons in areas in which local governments are levying an income tax, would permit greater use of what is almost the only really untapped tax source left to the lower echelons of government.

It also would permit local governments, in effect, to levy taxes for greater local use. And, conversely, it would permit greater taxpayer control over expenditure of tax dollars.

Without a reduction in federal income tax rates to those taxpayers contributing to state and local income levies, the individual burden would be oppressive and grossly unfair.

This is the only approach that recognizes the facts of political life. The taxpayer, who feels that he has little or no control over federal spending levels, is hardly to be blamed if he votes down a local bond issue or opposes a local tax increase. Doing so he feels he can exercise direct influence on spending for public purposes.

Now, with federal taxes levied for urban programs, it is hard for the local official confronted with real needs to resist pressure to ask for his "share."

With creative administration, local governments can solve a good part of their problems. Proper zoning can, in many instances, ease the need for massive urban renewal programs; proper housing code enforcement, more often than not, can lessen the crises of slum clearance; sensible taxing practices can permit a return of investment and risk capital to our central city core areas.

In any event, we must not—indeed, we cannot—increase the tax burden upon real estate or land.

In most urban areas, and particularly in the heart of the city, land taxes must be reduced.

High land taxes in these older central city areas actually cause blight and decay, in many instances. Because of a prohibitive tax structure, owners of older properties there are reluctant to keep up, or improve, existing buildings.

This tends to encourage blight and decay—the very things most of us are seeking to halt, and usually are seeking federal funds to help us halt it.

A recent study by the Advisory

Commission on Intergovernmental Relations showed these changes and reductions are necessary because historically the federal government's intensive use of the personal income tax is the single most important deterrent to its expanded use by states and cities.

Our research showed that between 1937 and 1960 not a single state adopted a personal income tax. During this period 13 states did adopt general sales taxes.

A relative handful of the nation's cities are given a share of state income taxes for their needs.

Job for states

In addition, however, to making additional levies other than property taxes available to local governments, the states must take revolutionary action to remedy the vast disparities of resources between individual jurisdictions in metropolitan areas. Among these possibilities are:

- Generous state financial assistance to urban areas in such fields as sewage treatment, improvement of schools and mass transportation.

- Imposition of a special state income tax upon the residents of metropolitan areas and rebating the tax to the metropolitan areas on the basis of population or other formulas.

- Creation by the state of area-wide tax authorities to finance the most expensive urban services—including elementary and secondary education, vocational training, public health and law enforcement.

Important as they are, finances are but one part of the fight to save our cities.

Cities are more than a conglomeration of physical facilities feeding upon tax dollars. They are great, sprawling, teeming areas filled with an intellectual and cultural vitality which must live on.

We recognize that urban needs and problems do not stop at the city limits. However, our cities are deprived of the authority to offer services and seek revenues by these artificial geographic boundaries.

They create a broad "no man's land" around the periphery of our cities.

One answer is annexation of adjoining areas. It has some merits as a stopgap. More land area provides a broader base for real estate taxes, more geography on which to base general obligation bond issues. A larger service area can mean a lower per capita cost for such things as sewage disposal, garbage, and trash pickups and

A tough customer like Goober should be punched out by this machine.

Suppose you've got this tough customer named Mr. Goober. And one day your secretary makes an honest mistake and sends him a statement addressed to Mr. Guber. And Mr. Goober becomes offended and figures that after all these months you clowns still don't know how to spell his name. And if you can't get his name right, maybe you can't do a lot of other things right.

Goober becoming Guber and Smyth becoming Smith on statements and so on is one of the reasons we developed an Addresser-Printer. It won't make mistakes. Goober is Goober and that is that.

With an Addresser-Printer you take that no good Goober and put his name and address on a metal plate.

Once this information is embossed and proofed on the plate you just punch it out. For all Goober knows, the most efficient typist in the world just typed it. How fast? Six or eight plates a minute is cruising speed for this little machine. We make bigger ones that are even faster.

And if worse comes to worse, and Goober does change his name to Guber, plates can be corrected and re-used.

There are dozens of uses for Addresser-Printers. Anything you send out on a regular basis can be put on a plate. Messages, payrolls, numbers, zip codes. And there are all kinds of Addresser-Printers to choose from.

Anyone of them could punch out Goober in less than two seconds.



Pitney-Bowes

ADDRESSER PRINTER

You get twice the traction of ordinary pick-ups with 4-wheel drive **'Jeep' Gladiator.**



You reach the back forty with your new fence (even over roughest terrain) in your 'Jeep' Gladiator with 4-wheel drive. It has twice the traction of ordinary pick-ups... takes you wherever the job is. Out on the highway, when it turns wet and slippery, 'Jeep' 4-wheel drive takes hold with the same extra "grip" that takes you off the road through deep mud, sand or snow. Outfit your Gladiator as you want it: hot new engines—250 hp

WINSTON-SALEM, N.C. GENERAL MOTORS CORPORATION

V-8 or Hi-Torque 6; standard or custom cab and trim; choice of colors; full width or bucket seats; 7 or 8 foot box; flat bed or stake with dual wheels; GVW's 5000 to 8600 lbs.; 3 power take-off points; 3 or 4 speed transmission with standard shift. Or, Turbo Hydra-Matic* automatic transmission. (It's the only pick-up offering automatic transmission with 4-wheel drive.)

Test drive it today! **KAISER Jeep CORPORATION**

TOLEDO, OHIO

You've got to drive it to believe it. See your 'Jeep' dealer. Check the Yellow Pages.

MODERNIZE CITIES

continued

water supply. Unchecked annexation, of course, can create as many evils as it attempts to solve. It can create straggling "strip cities" without enough revenue to provide services, or to keep pace with population growth.

The 212 metropolitan areas in the nation in 1962 (the latest official figure) had 18,442 local governments; 310 counties, 4,142 municipalities, 2,575 townships, 6,004 independent school districts and 5,411 other special purpose districts.

A way to end this duplication and overlapping of function and tax sources could be the creation of "corporate cities" under a regional board of directors. These super-cities could have the authority to override archaic tax laws, the flexibility to expand and contract physical boundaries within the region to match population movements and full recognition by other governmental units.

They could absorb all of the functions of the governmental units within their boundaries.

In this way, each city and local government could retain its individuality, yet have a functioning unit through which it could try realistically to meet the needs of its citizens.

The 1965 Utah Legislature approved a somewhat similar concept. It provides for an amendment to the state constitution subject to voter approval.

If the amendment is approved by Utah voters this year, it will establish a procedure enabling a defined metropolitan area to take over the powers and functions of existing governmental units within its outlined district.

Paring costs

In 1962 I conceived a plan setting up "regional substates" in an effort to provide authority and ability to meet growing urban problems and to remove the increasing duplication of services and consequent taxation.

Under my plan, Florida would have been districted into five regional areas of comparable population. The regions would have been so geographically defined as to preserve the basic integrity of rural and urban areas.

Each of my five substates would have an elective head, a cabinet and a legislature.

This would permit each region the authority and local lawmaking ability to meet needs quickly as they arose.

There are, of course, alternatives to this plan.

Consolidation of services and authority within county rather than city limits is an attractive alternative. This, in great part, can eliminate duplication of services, taxation and governmental authority.

Nashville-Davidson County in Tennessee and my own state's Dade County are embarked upon a comparable endeavor to streamline and make most efficient their governmental practices. These two units are simply and basically reorganized county governments supporting urban area needs.

One of our most recent sister states, Alaska, has seen fit to grant home rule to boroughs and cities by giving them the authority to "exercise all legislative powers not prohibited by [state] law or by charter."

Massachusetts voters recently gave their state legislature power to grant certain home rule powers to cities and towns.

A recent revision of Michigan's constitution provides for metropolitan government to avoid a proliferation of governmental units but permit maximum city self-rule.

Over the nation there is a growing awareness of the need for a reduction in local governmental units and functions, an excision of overlapping authority and an elimination of the "one-job" authorities and districts.

Reapportionment of our unfairly apportioned state legislatures is a legal fact. Followed to the letter of the law, reapportionment can provide great, nonfederal impetus to problem-solving at the local level.

Reapportionment must not be viewed as a cure-all. It is fine—as far as it goes—but urban leaders must continue to strive to see that our state legislatures are constantly upgraded.

We must seek to have our legislators fairly and adequately paid, and in return we must expect greater service from them.

We must seek to do away with unrealistic state legislative schedules, such as meetings only every two years.

Urban areas—like private corporations—must find and use the best administrative procedures they can.

They must look increasingly to

private business as the leader in streamlining administrative and service techniques. They must become increasingly aware of what their "market area" is and how best to serve it.

One intriguing potential, for instance, is provided by computers.

Computers for planning

If we can predict the outcome of a national election upon the basis of returns from a single area because of its past voter patterns, then we can certainly predict future municipal needs and methods of best meeting these needs.

With this as an invaluable planning tool—much as it is used in industry today—the ebb and flow of municipal overdemand and oversupply can be smoothed, whether for new schools, new streets or whatever.

It is not too visionary in view of today's rapidly expanding knowledge and technological ability to foresee a central city computer feeding information to satellite areas. This is now done in private banking facilities and branches are kept abreast of developments in the main facility.

A centralized operation could service all areas of urban consumption and use on an anticipated demand basis rather than a reactive basis. If central computers predicted a demand for mass transportation facilities at a particular time and place, for instance, the needed equipment could be easily diverted to absorb the need without depriving other areas.

I understand that in San Jose, Calif., for instance, traffic flow is controlled by computers anticipating the needs and making the necessary corrections and decisions in diverting vehicular movement.

Businessmen cannot ignore this progress in their own fields of endeavor, and should not ignore it in municipal and urban government. They must become increasingly aware of the problems of their local governments and must commit themselves to finding solutions.

President Lyndon Johnson has recognized the urgency in the search for solutions to urban problems by the creation of a Department of Housing and Urban Development.

It is of no value unless the states take up the challenge and work with the federal government to bring help to our urban segments, for no federal activity alone can save our cities.

END

WHY WE WILL WIN IN VIET NAM

(continued from page 39)



U.S. troops in Viet Nam "like home comforts and convenience as much as anyone; yet they feel that they have a job to do—a challenge to face."—Marine Corps Commandant Gen. Greene.

"We all know we are here for a good cause. I can assure you of one thing, this is one Marine that is proud to be an American. After what I have seen here I know what it is to have freedom. These people here in Viet Nam need help. . . . These people deserve freedom as much as anyone else. We are doing our best to give them a chance."

Throughout the correspondence one can detect a sustained plea for unified support at home. What has been the response to this plea? Let us examine the credit side of the ledger.

"What can we do to help?" Citizens, schools, church groups, corporations, civic and social organizations ask me this question in letters, telephone calls and during my visits to various parts of the country. In asking it, Americans reveal an eagerness to share some part of their nation's commitment to help the people of South Viet Nam break the communist stranglehold and embark on a life of liberty and orderly growth.

The answer—that the South Vietnamese desperately need soap, clothing and medical supplies—brings forth a heart-warming response. The needed items flood to collection points for onward shipment to Viet Nam. Navy-Marine Corps handling of these donations is through Project Handclasp. Other similarly inspired programs have resulted in the accumulation of tons of gifts from generous American donors to needy Vietnamese recipients.

Scores of American businesses and trade and civic organizations have given goods, services and money for servicemen and the Vietnamese.

Another movement, oriented more toward support of U.S. combat forces, has resulted in thousands upon thousands of expressions of sincere appreciation and approval of the job done by our servicemen.

A group of businessmen in Escondido, Calif., for example, prepared a resolution of support on which they accumulated some 10,000 signatures of endorsement before turning the document over to the military newspaper *Stars and Stripes* and other media for wide publication to our Viet Nam fighting men.

Do such gestures mean anything to our men in Viet Nam?

Yes, a firm, unequivocal yes. All

You can expect extra service from an Oasis

Oasis Hot 'N Cold extra service is faster (and cheaper) than you'll ever get in the local coffee shop.

Instant Oasis service will provide hot water for coffee or tea or chocolate or soup or just plain wonderful refreshing cool water. And the refrigerated compartment option will provide ice cubes, store cold drinks, chill your Metrecal®.

Select from handsome floor

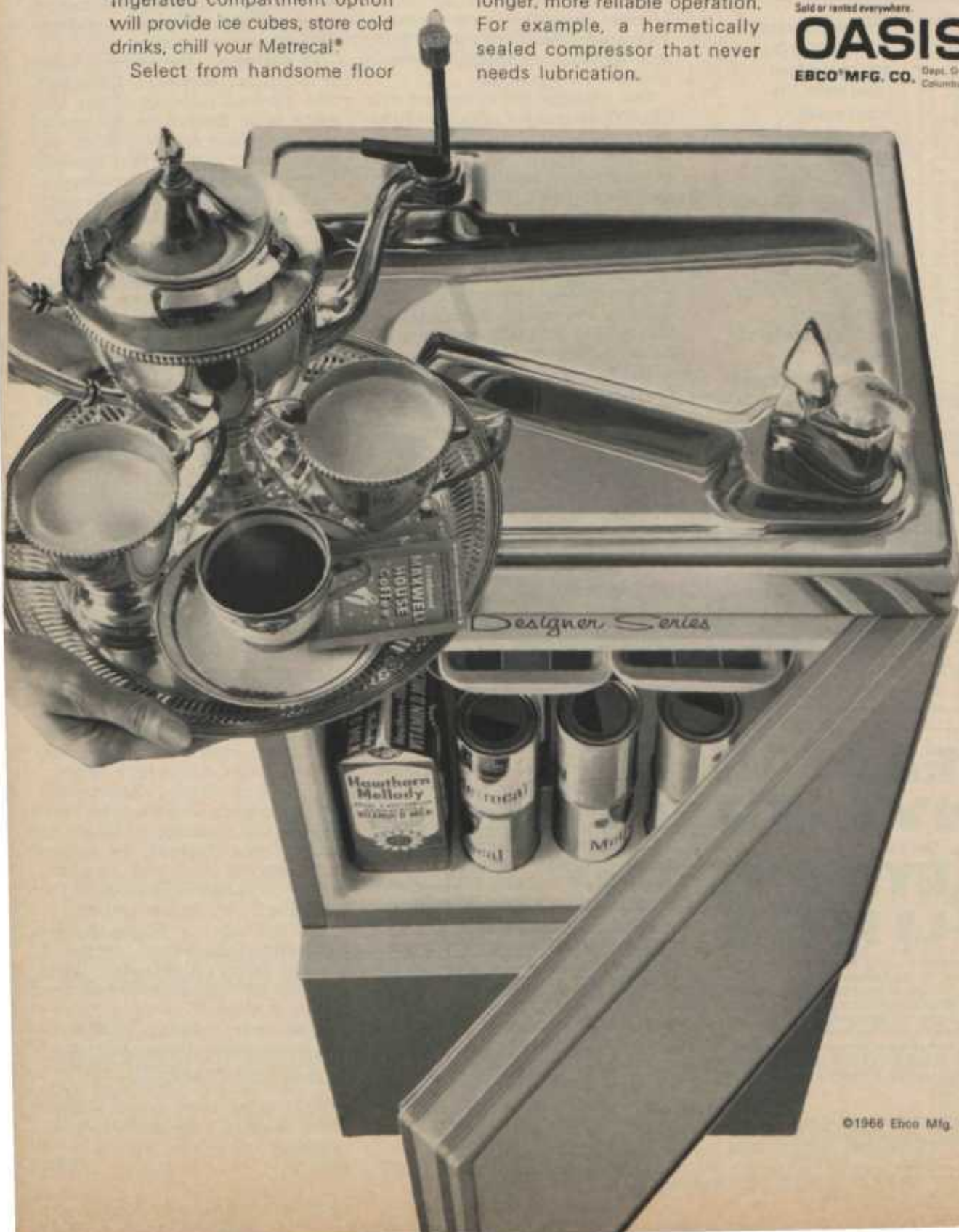
models for executive and lobby areas, compact wall units for high traffic locations, extra hefty models for in-plant work areas.

But you get only one choice of Oasis quality: Best. That's because Oasis "extra service" also includes longer, more reliable operation. For example, a hermetically sealed compressor that never needs lubrication.

Choose the refreshment service you need from our colorful full line brochure. Just ask your local Oasis representative for a copy. He's listed in the Yellow Pages under water coolers. Or write direct.

Sold or rented everywhere.

OASIS WATER COOLERS
EBCO MFG. CO. Dept. O-27, 265 North Hamilton Rd., Columbus, Ohio 43213



CHANGING YOUR ADDRESS ???

Please give us your new address:

Name _____

Co. Name _____

Address _____

City _____ State _____ ZIP Code _____

Attach Nation's Business address label here so your present subscription record can be quickly and accurately identified.

and give us your old address by attaching mail label from the front cover.

Please allow six weeks for change to be made on your copy (we may have already addressed the current month when your change is received).
Clip this form and mail to:

Nation's Business
1615 H Street, N.W.
Washington, D.C. 20005

HOW TO CUT TELEPHONE WASTE

Learn how to reduce phone waste and costs while actually improving customer service and relations. Write for our SPECIAL REPORT AND 7 POINT PROGRAM which tells where to look for waste-cutting opportunities, gives steps to take for improvement.

DRUMCLIFF COMPANY
DEPT. 33, TOWSON, MD. 21204

READY TO INVEST?

Get the facts on the

KEYSTONE FUNDS

Keystone Funds are mutual funds whose investment goals are current income or possible growth. For FREE prospectus and descriptive material see your investment dealer or use coupon below.

THE KEYSTONE COMPANY
50 Congress St., Boston, Mass. 02109
Dept. NB-4

Name _____

Address _____

City _____ State _____

WHY WE WILL WIN

continued

human beings need to be reassured from time to time that what they are doing is important and is appreciated.

I saw the impact of this type of support during January of this year in the I Corps area in Viet Nam, where some 42,000 of my fellow Marines are working with our South Vietnamese counterparts to bring security and re-establish orderly governmental processes.

Our Marines there received over 323,000 pounds of special Christmas mail—special in that it came not from family and close friends but from other strong supporters on the home front. This mail came from points all over the United States addressed variously to "Marines in Viet Nam" or to "A Fighting Marine."

We put our chaplains to work insuring systematic distribution of this mail so that each unit received its proportionate share. Here was a positive, spontaneous expression of patriotism and support. To men who had read about the anti-Viet Nam demonstrations and draft card roasts, this mail seemed like a breath of clean, fresh air. I sensed this myself on seeing a scroll, some 20 feet long, from a small city in the Middle West. Hundreds upon hundreds of citizens had affixed their signatures below a caption that declared enthusiastic support and appreciation.

Letter to a Marine

I think this story illustrates the impact of the correspondence:

During a mine-clearing operation near Chu Lai, a Viet Cong ambush killed two Marines and wounded another. The latter, shot in the shoulder, was quickly bandaged and readied for helicopter evacuation.

He insisted on the return of his bloodied utility coat, which had been torn off during first-aid efforts. Once he had the coat again, he reached into the breast pocket and retrieved a letter. It was from a stranger in the United States, expressing appreciation to a fighting Marine. "It's such a nice letter," the wounded man explained, "that I want to make sure that I keep it so I can write a reply."

I have leaned heavily on Marine Corps examples. I am sure the other services have examples as numerous and as persuasive.

In my opinion successful con-

summation of the Viet Nam War will require continuing united support on the home front. Indeed I consider this to be one of the vital ingredients in the complex recipe for success. No one should expect us to resolve favorably the current struggle for freedom without displaying monumental courage and undergoing considerable sacrifice. But, in the words of Thomas Paine, "Those who expect to reap the blessings of freedom must, like men, undergo the fatigue of supporting it."

In evaluating the current status of American patriotism, I conclude that the vast majority of our citizenry is as devoted to the nation as at any time in our history and stands ready to prove that devotion whenever and wherever required.

Even among the people who comprise the minority that challenges the wisdom of our government's chosen course, most are good citizens who believe that their patriotic duty requires them to make known their opinions.

This leaves only a small fraction whose activities should give us all serious concern. I refer to the propagators of literature suggesting mutinous conduct by armed forces personnel, the Viet Cong flag bearers, the draft card burners and the direct obstructionists.

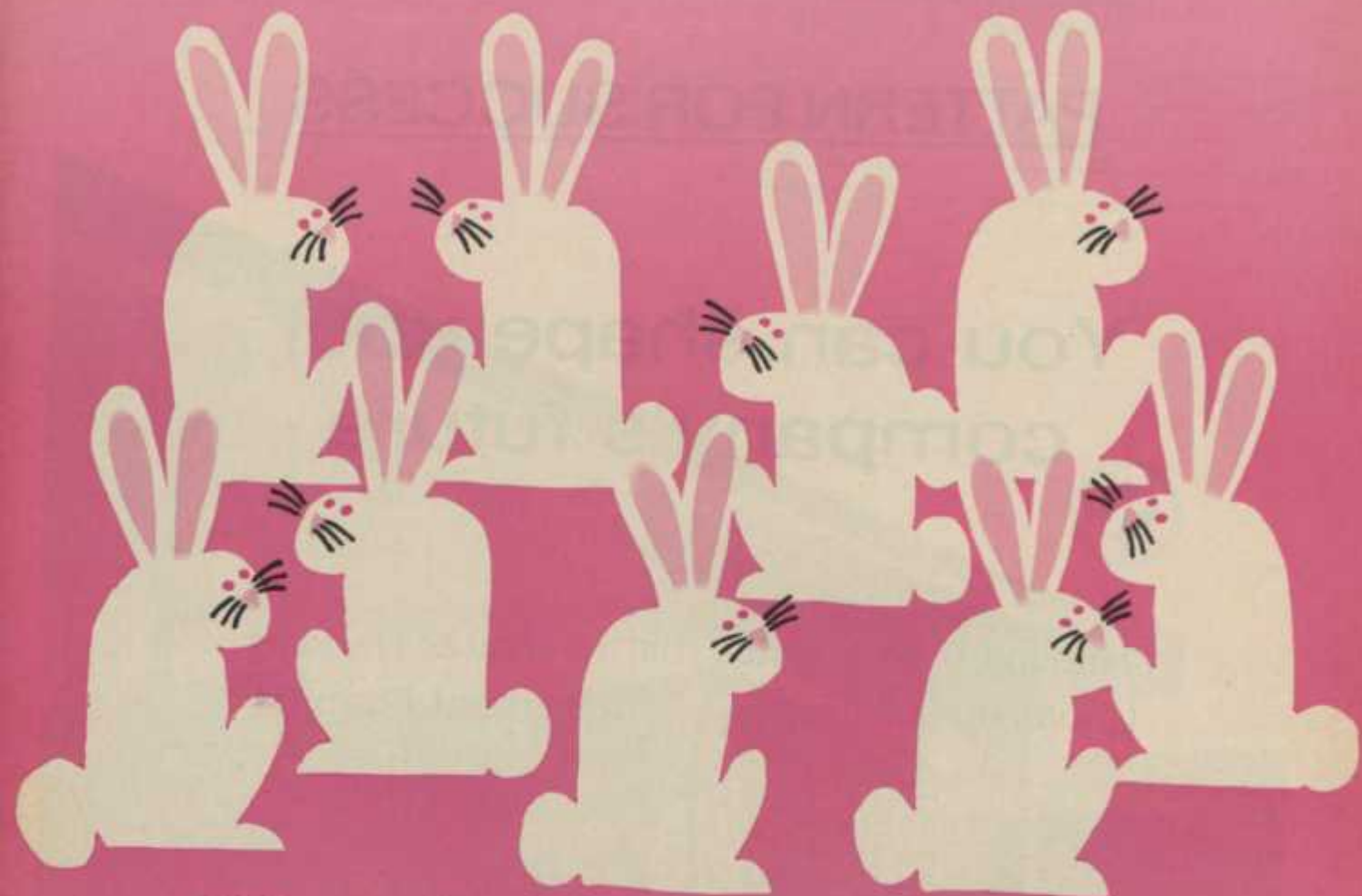
Would we have permitted anyone to parade through the streets of the nation's capital carrying a German flag during World War I? Or the Japanese Rising Sun during World War II? Of course not! But remember that our involvement in both of these conflicts followed a catastrophe that excited the emotions and induced passionate patriotism. In the absence of a Lusitania sinking or a Pearl Harbor bombing, neither the Korean War nor the Vietnamese commitment produced this nationalistic fervor.

Today's patriotism, characterized less by hysteria and more by business as usual maturity, is still strong and dynamic. Beneath the surface it retains its mercurial qualities, volatility being proportional to the recognized peril to the nation.

Perhaps today is not the day for a modern Paul Revere to gallop through every Middlesex village and farm awakening the populace to imminent dangers.

With some notable exceptions, the temperature of our patriotism is normal in the current situation and its status is healthy: noble without being aloof, proud without being haughty, calm without being apathetic and patient without being passive.

END



When air shipments multiply at Easter time, who gets priority?

Air Express, who else.

When shipments build up during peak seasons and night rush hours, Air Express puts you right on top of the heap.

How come? Because Air Express gets priority on every scheduled airline in America, right after Government air mail.

Air Express is a joint venture of all 39 scheduled airlines and REA Express. Naturally, such an arrangement means many efficiencies for you.

For example, you get door-to-door delivery with only one call, one waybill. And next-day delivery to 21,000 cities throughout the U.S., Canada and Puerto Rico.

What's more, Air Express rates are often lowest in cost—less than even surface carrier.

So if you ship from 5 to 50 lbs. anywhere in the U.S.A., you're missing a bet unless you check Air Express. Call your local REA Express office. Air Express outdelivers them all... anywhere in the U.S.A.

Air Express
Division of REA Express



PATTERN FOR SUCCESS

You can shape your company's future

The eighth in a series that re-creates Harvard University's Advanced Management Program

John K. Thorpe, age 42, sat alone at his desk late on Friday afternoon gazing at the Chicago skyline. He had just learned that on Monday morning he would become president of one of the world's largest companies.

Scores of thoughts must have tumbled through his mind as he measured the enormity of the responsibilities thrust on him. There were many new developments to consider—technological, political, economic and social—in a world which he knew had left his company far behind. Mostly, no doubt, he wondered how he would revitalize organizational patterns built up over the past 100 years, patterns that now were hobbling this mighty international organization.

His most obvious concern was over the fact that the giant company was earning less than it would have if the value of its tremendous assets had been deposited in a bank.

Mr. Thorpe and his company are discussed near the end of your 13 weeks as an "AMP," an executive turned student in Harvard Business School's Advanced Management Program.

Although the names are changed, this is a true episode. The real name of what the case study calls the International Manufacturing Co. is a familiar word in households all over the globe.

The mass of background material given you on International Manufacturing Co. calls upon all of the concepts and skills you have developed or sharpened throughout the program, especially in that portion called business policy.

Before you get a chance to put yourself in Mr. Thorpe's chair, you examine a series of case studies illustrating problems in the two broad subdivisions of business policy—mapping corporate strategy and carrying it out.

Examination of these cases is conducted by Professor Kenneth R. Andrews, 20 year member of the faculty and a respected consultant in organization planning and executive development for several large firms.

"Policy is what the president of a country or a corporation is likely to think about at night," Prof. Andrews tells you. "His problems have to do with the choice of purposes, the definition of what most

needs to be done and the mobilization of resources for getting it done."

Corporate strategy, as Prof. Andrews uses the term, includes both choosing objectives and forming policy for reaching those objectives.

To demonstrate the great variety of strategic alternatives which are available and to enlarge your breadth of business exposure, you study cases which encompass many industries, firms and business situations.

Each AMP assumes the role of the president, general manager or whoever is in charge of the firm under study and draws upon his special experience and talents to diagnose the central problems and develop a strategy. The wide diversities in strategies which are revealed in class discussions demonstrate that there are no pat solutions to business problems.

Prof. Andrews believes that the shaper of corporate strategy must develop:

1. The attitude of the generalist, not the specialist.
2. The attitude of the practitioner willing to run calculated risks, rather than of the scientist who

- ☐ Send me a copy of the Armco Building Catalog.
☐ Put me in touch with an Armco Building Dealer.

NAME _____ TITLE _____
COMPANY _____
STREET _____
CITY _____ STATE _____ ZIP _____
TELEPHONE NUMBER _____



What makes an Armco Building better? **TRUE ECONOMY**

The word "economy" is one that's bandied about rather recklessly. It means something slightly different to everyone. For example, when we talk about economy with respect to Armco Buildings, we're not talking about cheapness or even lowest original cost in many cases.

We're talking about an Armco Building that is certified in writing for high quality structural design, materials and durability. We're talking about a building that's virtually maintenance-free. We're talking about a roof that's guaranteed for 20 years. We're talking about a building that you can expand at reasonable cost if the need arises.

We're talking about long-term investment—an opportunity for you to move into a quality building of your choice that you know will be as attractive and functional in 15 years as it is today. We're talking about *true* economy.

If your idea of building economy is similar to ours, we'd like to put you in touch with an Armco Dealer who feels the same way. Mail us the coupon. Metal Products Division, Armco Steel Corporation, Department M-736, P. O. Box 800, Middletown, Ohio 45042.



Metal Products Division

PURPOSE AND VITALITY OF THE NATIONAL CHAMBER

The purpose of the National Chamber is plain. The purpose is to strengthen, improve and preserve the free-market economy—and thus to preserve our American way of life.

In an era of change, the National Chamber does not resist change.

It trains and equips business and professional men and women to understand the need for change, and to direct the course of change to avoid the loss of self-government.

In an era of complex economic and social problems, the National Chamber does not look to federal spending and increasing federal coercion to meet these problems.



It works to encourage the business community to develop positive, practical private-enterprise solutions to today's problems—and, through voluntary organized action, to apply the solutions.

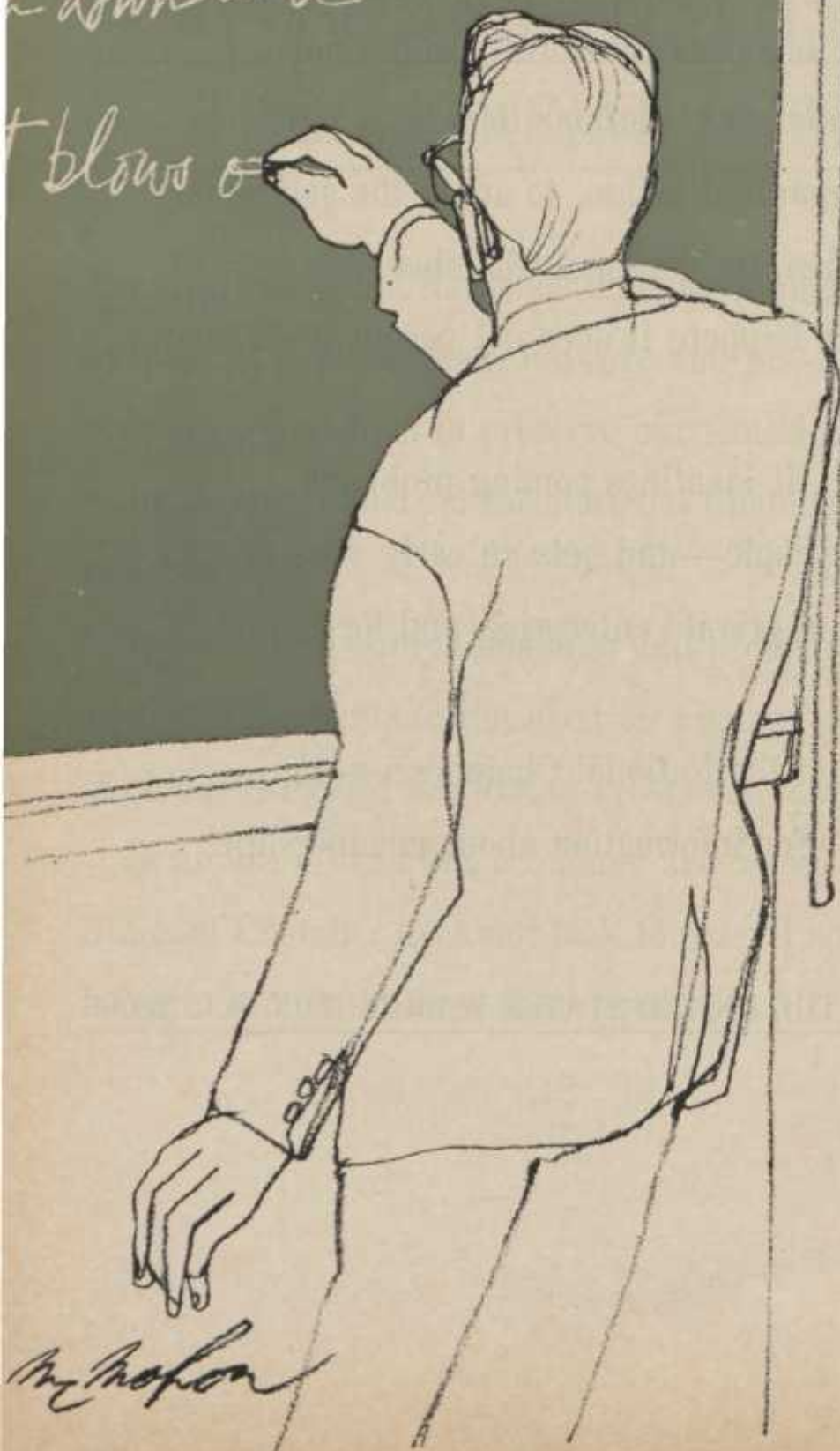
As a leadership organization, the National Chamber does not wait around for things to happen; it does not permit itself to be caught by surprise.

Through its wide research, it identifies coming problems of concern to the American people—and gets an early start toward resolving them for the good of private enterprise, and for the long-range good of the country.

The membership support of the National Chamber's work is today at an all-time high. For information about membership, write:

CHAMBER OF COMMERCE OF THE UNITED STATES WASHINGTON, D.C. 20006

h down and wait
t blows o



Prof. Andrews chalks up a suggestion made by one AMP for what to do when things really get rough.

PATTERN FOR SUCCESS

continued

must have all facts before him. 3. The attitude of the innovator rather than that of the guardian of the status quo.

An early task of the strategy-maker is to get a clear idea of the essential character and special competence of his company and what he wants it to be like in the future.

In general you should look about 10 years ahead, asking how sound your company's present strategy is in the light of its strengths and weaknesses and the likely changes in its environment.

How AMC got rolling

One of the early cases in the program takes a look at the first seven years of American Motors Co. (AMC) which was formed in 1954. As everyone recalls, the new firm's president, George Romney, decided to buck the trend being set by the Big Three auto makers toward longer and larger cars.

Mr. Romney suspected that the Big Three, while competing hard among themselves, were leaving a vacuum in the market for compact cars high in utility and economy but bigger than the small cars imported from Europe.

"Like a quarterback, Romney saw an opening and moved into it," remarked one AMP, a district sales manager for a major steel producer.

Mr. Romney, however, had a Herculean job in promoting and defending this belief against the skepticism of other industry executives and officials in his own firm. To meet the challenge, he divided his strategy into campaigns.

During Campaign Survival, which lasted from 1954 to 1957, AMC still carried the standard Nash and Hudson cars while tooling up for the new Rambler.

Much effort went into rallying the company behind the new idea, building a dealer organization for



When a Buick owner gets a little place in the country, he buys an Electra 225. Naturally.

Let's assume you're about to acquire a little spot in the country. A retreat. You'll want to improve the grounds a little, of course.

So we've designed the Electra 225 for you. It's our instant landscape enhancer. Just park it somewhere. Clearly visible.

Not that any Buick won't do; the Electra is like other Buicks — only more so. They're all tuned cars. The ride, styling, performance and handling are *all* tuned — *all together*. (That's the secret of the tuned car.)

And like all Buicks, the Electra has the seven new safety items, standard on all models.

Padded dash, back-up lights, and such. Plus front and rear seat belts, which we suggest you use as a standard procedure.

But the Electra 225 also comes with a 401-cu. in. Wildcat V-8. And a Super Turbine Automatic transmission. (You'll find the Electra is much more than just a scenic wonder; since it's an Electra, it will take you to other scenic wonders briskly — *and* in maximum comfort. Need we say more?)

Now the cost. The Electra 225 is not inexpensive. But it probably costs less than you imagine. We build the Electra on the assump-

tion that people who have enough to expect the utmost in automotive luxury achieve that happy condition by having a good eye for value. Besides you may have most of your money tied up in that country place of yours.

And if you aren't buying a country estate? Then get an Electra 225, anyway, and you'll feel as though you have.

That enables you to save money two ways: on your Electra and on the estate you're not buying. Feels good, doesn't it? (Just wait till you see how good that new Electra will feel.) Your Buick dealer is the man to see. Naturally.

1966 Buick. The tuned car.

GM

BUICK MOTOR DIVISION



**The
who's who
in power
equipment...**

TORQUE

Allis-Chalmers • American Coleman • American Hoist & Derrick
American LaFrance • American Road Equipment • Anthony Co. • Autocar
Baldwin-Lima-Hamilton • Baker Division, Otis Elevator Company • Bay City Shovel
Beloit Woodlands • Bros. Incorporated • Bucyrus-Erie • Buffalo-Springfield
Cabot Shops • Calweld • Canadian Kenworth • Cardwell Manufacturing • J. I. Case
Cline Truck • Clyde Iron • Consolidated Diesel Electric • Continental Motors
Fred E. Cooper • Crane Carrier • Crown Coach • Cummins Engine • Detroit Diesel
Dominion Engineering • Earthdrill • Elmco • Electro-Motive • Erickson • Euclid
George E. Failing • Franklin Equipment • Freightliner
FWD • FWD-Wagner • Gallion • Gardner-Denver • Garrett Enamclaw
Gar Wood • Gearmatic • General Motors Overseas Operations
GM Diesel Limited • Goodman Division/WABCO
Grove Manufacturing • Hayes Manufacturing • Hendrickson
Hensel Green • Hercules Engines • Highway Trailer
Hopper Machine • F. G. Hough • Huber-Warco • Hughes-Keenan
Hyster Company • Ibtex Motor Truck Corporation • Ideco
International Harvester • Jordan Machine • Joy Manufacturing
Kalamazoo Manufacturing • Kenworth • Kershaw Manufacturing
Koehring • K-W Dart • Lee Engineering • L-W/WABCO
Link-Belt Speeder • Lorain • Lull Engineering • Mack Trucks
S. Madill • Mixermobile • M R S • Napco • National Iron
N. P. Nelson • Oliver • Orton Crane & Shovel • Oshkosh Motor
Ottawa Steel • Pacific Car & Foundry • Factor • Parsons • Patso
Peterbilt • Peterson Builders • Pettibone-Alabama
Pettibone-Michigan • Pettibone Mulliken • Pettibone-N.Y.
Pierce-Portland Crane Carrier Company
Plymouth Locomotive Works • Rex Chainbelt • Riblet Tramway
Robin Nodwell • Sargent Engineering Corporation
Schield Bantam • Shovel Supply • Sicard • Silent Hoist & Crane
Skagit • Skytop Rig • Smith-Berger • Taylor Machine Works
Texoma • Timberland Ellicott • Towmotor • Trojan
Unit Crane & Shovel • Unit Rig • United Tractor
Victoria Machine • Wagner-Morehouse • Wagner Mining Scoop
Ward LaFrance • Warner-Swasey
Walter Motor Truck
Waukesha
Motors
Wayne Manufacturing Company
Western Gear
Western Tractor, Inc.
Whiting
White Motor
Hugh B. Williams
Yale Fork
Lift

**know
“what's what”
in Powershift**

130 different manufacturers install Allison Powershift transmissions and torque converters in more than 500 models of off-highway power equipment.

They have only one reason for choosing Allison: to please their customers.

They (and their customers) know Allison Powershift is great on any job.

Great for starting heavy loads in mud.
Great for cutting operator training costs.
Great for cushioning shock loads—stretching engine and equipment life.

Above all, great for getting high work-output on heavy-duty jobs.

So now that you know what's what—and who's who—specify equipment with Allison Powershift.

You'll make more profit. And that's that!

Allison Powershift

Allison Division of General Motors, Indianapolis, Indiana 46206

PATTERN FOR SUCCESS *continued*

Rambler and reducing the firm's bank debt.

Campaign Opportunity, in which AMC hustled to fill the new market, covered the years 1957 and 1958. In 1959, as competitors began imitating AMC's fast-selling Rambler, Mr. Romney launched Campaign Counterattack. In 1961, he was ready to swing into Campaign Leadership, in which AMC would battle for the top spot among auto makers.

You examine the firm's competitive position in 1954, 1957 and 1961. AMC, by 1961, had raised unit sales by 300 per cent, paid off all bank debts and showed an operating profit of \$105 million.

On the other hand, each of the Big Three had come out with cars to compete with Rambler, and there was much evidence that as general economic conditions improved consumer tastes were returning to big cars.

You are called upon to assess the company's prospects and to suggest the best way to carry out Campaign Leadership.

Next you study the typewriter

industry and again see the need for each company to develop an independent strategy rather than imitate competitors.

American typewriter makers after 1950 fell into two groups. The first consisted of old-line companies that concentrated on conventional office machines. Firms in the second group made typewriters only incidentally to their main interest, data processing and other information systems.

Companies in the first group felt secure. They overlooked their ability to diversify, narrowly viewing themselves as makers of mechanized handwriting devices rather than competitors in the information processing industry.

But things were changing. An enormous demand was appearing for electric typewriters. The European typewriter industry was throwing up heavy competition. Advances were coming fast in the technology of typewriters and information processing in general.

Sudden efforts by the old-liners to adjust to these conditions proved strenuous. They sought U. S. tariffs on imported machines, they modernized their plants and they stepped up production of portable typewriters to be sold abroad. But

when they tried to jump into data processing, they ran smack up against the companies that by then were well entrenched in this area. Underwood Corp. crumbled under the strain and in 1963 was forced to sell out to Olivetti & Co.

Questions for managers

The cases point out the importance of asking yourself:

What business do our product lines really add up to?

What opportunities and risks are appearing in our market?

What are our actual and potential strengths and how can we increase them?

What are our actual and potential weaknesses and how can we reduce them?

What can we do better than anyone else?

How can our skills be transferred into more exploitable areas?

What type of company do I want?

When you have your answers, your job is to match foreseeable opportunity and risk with the firm's own combination of resources and competence. If competence falls a little short, the challenge alone will often motivate people to meet the opportunity.

Personal needs, aspirations and quirks can influence the strategy of any sized company. You see this in your spirited study and discussion of HMH Publishing Co., creators of *Playboy* magazine.

Hugh M. Hefner, the case shows, failed to find much personal satisfaction on the two magazines he worked for before striking out on his own in 1953 to establish a magazine that would unabashedly reflect his personal view of the good life.

Fortunately for *Playboy*, Mr. Hefner's concepts apparently were shared by many other young men. The magazine was an instant success. Within seven years, HMH's yearly revenue climbed from \$268,000 to more than \$8 million, and after-tax earnings jumped from a deficit of \$23,000 to a profit of \$313,000.

With a fantastic display of energy and charisma, Mr. Hefner expanded into many other fields, including television, nightclubs and a travel agency.

"Every place I don't have a *Playboy* club, I'm losing money," Mr. Hefner replied to those who said he was overextending himself. A Hefner attempt to put out a weekly magazine called *Show Business Illustrated* collapsed because, as one AMP put it, "changes of



AMPs playing the role of managers of a major oil company plan how they will reorganize if their merger "negotiations" succeed.

PATTERN FOR SUCCESS

continued

movies in downtown Houston are not so interesting in Portland, Maine."

A late evening television program also failed. One AMP analyzes the failure this way:

"While Playboy clubs offer exclusivity to anybody for a price, you don't want to watch 'bunnies' at home on TV with your wife looking on, too. The very audience Hefner was trying to reach wasn't at home at those hours."

You play the role of Mr. Hefner's strategy adviser for the future. You try to see if *Playboy* magazine and the clubs succeeded because they were consistent with a past strategy with which Mr. Hefner's two flops, *Show Business Illustrated* and the television endeavor, were inconsistent.

Questions are raised by a few AMPs about the moral value of the products of HMH Publishing Co. This leads to the next big consideration to be factored into your strategy—the degree of social contribution you feel your firm should be making.

There is strong support among the AMPs for the following view expressed by one of them, the general manager of the medical products division of a chemical company:

"When a corporation tries to push itself into the social area, it's out of its field. In the long run, a business concern best discharges its social responsibilities when it keeps its nose clean and concentrates on its main job of making money. In this way the firm can best provide the most productive jobs and the goods the people want."

Prof. Andrews does not share this view. The classic economic theory which holds that the public interest is best served by the uninhibited pursuit of self-interest does not work in today's mixed economy, he contends.

Business and the public weal

Today's businessmen, he believes, should always consider the explicit impact that strategic decisions will have on the public good—even though various definitions of what constitutes the public interest will inevitably come into conflict.

He cites two reasons: First, the businessman's sense of decency; second, the threat of government regulation if businesses ignore the

expectations of other segments of society.

You also discuss the amount of freedom the head of a firm should allow employees in expressing views on public issues, even when these views draw criticism upon the firm.

"The degree to which an organization is efficient, productive, creative and capable of development," Prof. Andrews says, "is dependent in large part on the maintenance of a climate in which the individual does not feel suppressed and in which a kind of freedom analogous to that which the corporation enjoys in a free enterprise society is permitted to the individual as a matter of course."

So there are four main factors to be considered in planning your strategy:

1. The opportunities—what might be done.
2. Your firm's competence—what it can do.
3. The noneconomic personal values of the man in charge—what he wants to do.
4. The firm's sense of responsibility to people outside and inside the firm—what the firm ought to do.

Balancing these factors is a delicate and creative job, more complex than building a mobile, Prof. Andrews says. Sometimes one or two dimensions clearly dominate and the others serve only as constraints. Sometimes the conflicts between factors are severe.

But such an analysis is only half of what strategy implies. With purposes clear, you must now act. You must mobilize resources, structure and develop an organization and motivate through incentives and controls.

Swinging a merger

You get a better feel for the management action that's required in mobilizing resources and structuring the organization when you are called upon to negotiate a mock merger.

The AMPs are divided into eight-man management teams. Half of the teams are given inside material on a major oil company which carries the disguised name of Cimarron Oil Co. The other half is given inside facts on the combined interests of two low-priced marketers, the Puget Sound Oil Co. and the Rainier Refinery Co.

An attempt is made to get a variety of talents on each team. A sample merger team includes AMPs who in real life are the manufacturing vice president of a

textile company, the owner of a Western hotel, the head of a railroad's legal department, an official from the U. S. General Accounting Office, the managing director of an English publishing firm, a U. S. Army colonel, a division director of a life insurance firm and the laboratory director of a large oil company.

Professors from other parts of the program join in the Cimarron case to review special problems of mergers, such as those involving accounting, labor relations, marketing and finance.

Each Cimarron team considers the questions of how Puget-Rainier would fit into the Cimarron operation if acquired—the advantages and the problems. And the other groups determine the good and the bad—from their view—in selling out.

Some factors involved are that Puget Sound has an aging management; Puget profits seem to be going down; Cimarron fears that a stronger competitor might buy out Puget-Rainier, and Cimarron is short on refining capacity but long on cash to be invested in something.

What's their worth?

"How do you evaluate these properties?" asks Prof. Warren A. Law, the brilliant young leader of AMP sessions on financial policy and economic theory and practice.

He notes that the book value is \$3.8 million for Rainier and \$3.1 million for Puget, quickly adding that "book value is just a fictional number determined by some wild method known as 'generally accepted accounting'." Of more value is the appraised value which is \$7.7 million for Rainier and \$5.7 million for Puget.

But Prof. Law urges you to draw up your own figures by estimating the cash flow for the two firms for different years and then discounting them at different rates. Using this "discounted present value" technique, the AMPs appraise Rainier at between \$8.8 million and \$10.8 million and Puget between \$5.1 and \$6.1 million.

"Of course with mergers, two plus two equals more than four," Prof. Law comments.

Working the figures in with other considerations, each Cimarron team decides on the maximum price it will pay for Puget-Rainier. And each Puget-Rainier team decides on the minimum it will take. The teams are matched and negotiate for several days.

Only one of the 10 negotiations

At last,

someone who can train your employees
no matter where they are.



Many employers put off group training because their people are spread all over. They get bogged down looking for a practical way to train all employees at the same time across the miles.

Now . . . with ICS Services . . . you can get your training program on the road.

With Educasting, your outlying groups can be trained by multi-channel radio or TV.

Or, take ICS Services Seminars. They can train your people at all levels . . . and at locations you select. You have a choice: our coordinators will conduct them, or we'll train members of your own staff to do the job.

Or consider self-study units. They're carefully programmed from our \$4 million library. Your employees learn under the expert guidance of an ICS instructor miles away.

A prominent utility had the problem of training 1600 employees in 56 different locations. ICS Services provided the answer: a program that ranged from basic mathematics to technical, job-related instruction.

No matter where your employees are located, no matter what your training objectives may be, ICS Services can be put to work for you. Quickly. Effectively. Economically.

Seventy-seven of the nation's 100 largest companies are among our clients. (In fact, over 7000 firms of *all* sizes are using our services.) ICS Services is a worldwide organization with clients throughout the free world.

For information on how we can help you, call our president, John C. Villaume, direct. Make it collect. Just dial 717-342-7701. Or write I.C.S. Services, Scranton, Pa. 18515.

I.C.S. SERVICES®
TRAINING FOR INDUSTRY

PATTERN FOR SUCCESS

continued

fails to reach a merger agreement. Settlements of the others range from \$15 million to \$17.5 million. Each team now reveals its thinking during the negotiations and decides what its new strategy is to be.

Reshaping your firm

You next examine a series of cases on the problems of the structural design of an organization.

You can mold the structure of your organization to fit your strategy along three fronts, the specialization of tasks, the coordination of tasks and the flow of information.

There are several elements to consider regarding tasks required by your strategy. For one thing, you must make sure that the criteria you use to measure and eval-

uate performance are those that will lead toward, and not detract from, your over-all strategy.

Personalities of successful managers vary. The important thing is that the leader's commitment to organizational purpose be conspicuous, Prof. Andrews emphasizes.

The principal concerns of the general manager are: Forming and monitoring strategy; finding and developing the types of employees he needs; subdividing and assigning tasks; putting all of these subdivided tasks into a finished whole.

In his book, "The Effectiveness of University Management Development Programs," Prof. Andrews lists what he considers ideal characteristics of a favorable climate in which to develop better managers:

"1. Absence of political maneuvering for position, with penalties for unfair personal competition and petty conspiracy.

"2. Rejection of preferment on grounds other than approval of performance—i.e., blood relationships, friendships and ethnic, educational or social background.

"3. High standards of excellence explicit in instructions for work as well as in its evaluation; expectations of continuous improvement and competence with increasing experience; disciplined attention to meeting detailed commitments.

"4. High value assigned to interpersonal amity and tolerance of individual differences.

"5. Willingness to take risks (and acceptance of the inevitability of occasional failure) in delegating responsibility to the relatively inexperienced.

"6. Acceptance and encouragement of innovation with consequent freedom to act upon ideas. Disapproval in cases of failure attached to results and causes rather than to departure from conventional practice as such.

"7. High standards of moral integrity, including rejection of expediency even at the cost of windfall profits."

Finally you come to Mr. Thorpe, the newly appointed president of International Manufacturing Co. (IMC) mentioned at the beginning of this article.

The IMC cases accent the problems that major changes in an organization can cause, but they also involve all other elements studied in the business policy portion of the program. In the seven years prior to Mr. Thorpe's appointment, IMC's share of the world market for household sewing machines, its

main product, had dropped from 66 per cent to 33 per cent.

The cases focus on the first five years of Mr. Thorpe's presidency—from 1958 to 1963. First you analyze the firm's situation at the time of Mr. Thorpe's appointment and you try your hand at devising a blueprint for revitalizing the firm.

One of Mr. Thorpe's problems is whether to continue plunging tremendous resources into sewing machines in the light of increasing competition, especially from Japanese models, or to diversify into other fields.

He considers going in for more light weight, colored machines in place of the firm's venerable black cast-iron models. A suggestion is made that he should plan "programmed obsolescence" so fewer machines are handed down from mother to daughter to granddaughter.

Several things are working in Mr. Thorpe's favor, the AMPs note. These include the firm's matchless reputation, its strong consumer training and its wide experience in installment financing.

You read how this highly intelligent executive made major changes in corporate strategy calling for greater diversification of products and sweeping reorganization of the firm. To dramatize the firm's break with its stodgy—albeit successful—past, Mr. Thorpe bedecks its staid central office with abstract art.

You analyze his time schedule for his changes and appraise how well he carried out his strategy. You study how he adjusts for unexpected changes in the firm's worldwide environment and you evaluate how he stacks up as an implementer of his strategy.

"Emerson said the corporation is essentially the lengthened shadow of a man," Prof. Andrews reminds you. "The principal contribution that the professional manager can make as a personal leader is to project himself as a person—his own values, the clarity of his own integrity.

"The quality of the corporate purposes he determines can be no higher in the long run than the quality of his own character." END

[Next month: AMPs widen their view of the business world.]

REPRINTS of "Pattern for Success—8" may be obtained for 30 cents a copy, \$14 per 100, or \$120 per 1,000 postpaid from Nation's Business, 1615 H St., N.W., Washington, D.C. 20006. Please enclose remittance with order.

calculating machine

THE CURTA IS A PORTABLE CALCULATOR FOR ALL ARITHMETICAL OPERATIONS

A precise instrument that gives quick calculator performance and "on-the-spot" answers anywhere. Model I price \$129.00. Model II \$154.00.

FREE! 64-page Mathematical Handbook

Contains tables, conversion factors, formulas for business, sciences and industry. For this booklet and information write to Curta Company, P.O. Box 2414, Van Nuys, Calif., Dept. RD-4



weighs only 8 ozs.

CURTA COMPANY

AUDITOR'S POINT AUTOMATIC PENCIL

Writes **THINNER** than any pencil in the world!

* Imagine a pencil that ALWAYS writes as fine as the first word from a freshly sharpened pencil—without sharpening EVER!

* Imagine a mechanical pencil that uses micro-thin lead, almost HALF the thickness of ordinary lead, measuring 0.5 mm.

* Imagine a pencil point that NEVER GETS DULL, never smudges, gives you crisp, fine writing continuously mile after mile.

* The revolutionary new breakthrough is in the precision-crafted snorkel, push-button controlled for instant maintenance of pin-point writing under heaviest everyday pressure.

* Enjoy the pencil that meets the most exacting standards of accountants, architects, draftsmen. Beautifully styled. Feather light, finished with jeweler's precision. A remarkable new aid for your figure work, record-keeping.

* Be first to own the Auditor's Point Pencil. YOU MUST BE DELIGHTED OR YOUR MONEY PROMPTLY REFUNDED.

Auditor's Point Pencil **\$1.98**
Add 25c mailing

Extra Leads: HB, H, 2-H—50c per box

GREENLAND STUDIOS
DEPT. NB-1 MIAMI, FLORIDA 33147



Coronastat 55 copies look as good as anybody's.

Coronastat 55 costs look better!

The new Coronastat® 55™ will copy anything it gets its eyes on—including 3-dimensional objects — and match its work against any copier on the market. But when you're looking for a copier, you look at the cost of the copies, too.

Let us send you a simple chart that will show you our costs in comparison

with those of other leading copiers. You'll see how Coronastat 55 users can save hundreds and, in some cases, even thousands of dollars a year on the copies they make.

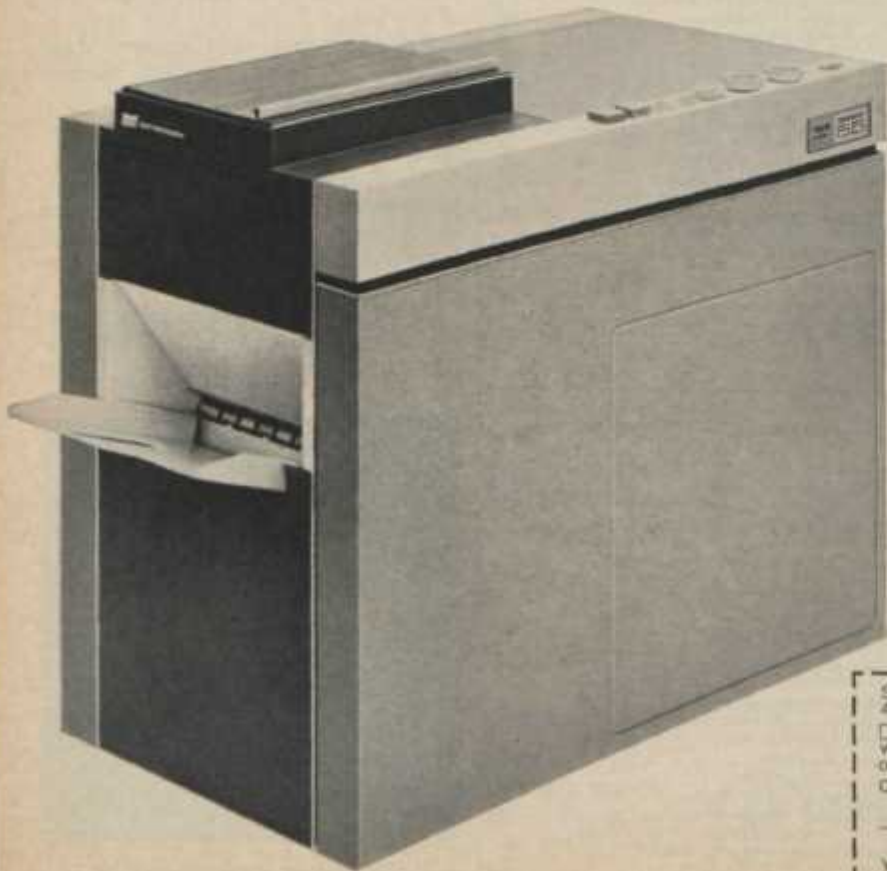
There are other savings a Coronastat 55 brings, too. No special wiring is needed. (You can even wheel the Coronastat 55 from department to de-

partment if you wish. Just plug it in.) The size is right, too. This console copier will fit where others won't.

There's no reason to put up with soaring photocopy costs. Not with the Coronastat 55 around!

SCM ELECTROSTATIC COPIERS

SCM CORPORATION, 410 PARK AVENUE, NEW YORK, N.Y. 10022.
OFFICES IN CANADA AND MAJOR CITIES THROUGHOUT THE WORLD.



SCM Corporation
410 Park Avenue, New York, New York 10022

NB-4

☐ I want to see how little Coronastat 55 photocopies will cost in my office. Please send me my free copy of your "Coronastat Copy Cost Comparison Chart."

Our present photocopy equipment is _____

Brand name _____

_____ We make an average of _____ a month.

Model _____

No. of copies _____

Your name _____

Company _____

Title _____

Address _____

City _____

State _____

Zip _____

Advertisers in this issue • April 1966

	Page
Addressograph Multigraph Corp.	58, 59
The Griswold-Eshelman Company, Cleveland	
Agfa-Gevaert, Inc.	25
Kumony Associates, Inc., New York	
Air Express, Division of REA Express	117
Ketchum, MacLeod & Groce, Inc., New York	
Allison Engine Division, GMC	124
Tatham-Laird & Rudner, Inc., New York	
American Photocopy Equipment Co.	33, 34, 35
Klax-Serpy/Inkjet, Inc., Chicago	
American Telephone and Telegraph Co., Long Lines	131
N. W. Ayer & Son, Inc., Philadelphia	
American Telephone & Telegraph Co., Municipal	89
N. W. Ayer, Inc., Philadelphia	
Armco Steel Corporation, Metal Products Division	119
Murphy, Inc., Pittsburgh	
Avis, Inc.	26
Douglas Donahoe, Inc., New York	
Bruning, Charles, Co.	104, 105
N. W. Ayer & Son, Inc., Philadelphia	
Buick Motor Division, GMC	123
McCann-Erickson, Inc., Detroit	
Cadillac Motor Car Division, GMC	91
MacManus, John & Adams, Inc., Bloomfield Hills, Michigan	
Chamber of Commerce of the United States	120, 121
Chevrolet Motor Division, GMC, Auto Fleet	85
Campbell-Knapp Company, Detroit	
Chevrolet Motor Division, GMC, Trucks	66, 67
Campbell-Knapp Company, Detroit	
Curta Company	128
Eastman Advertising Agency, Van Nuys, Calif.	
Dietaphone Corporation	10
Young & Rubicam, Inc., New York	
Ditto, Inc., Bell & Howell Co.	81, 82, 83
Albert J. Rosenthal & Company, Chicago	
Dodge Division, Chrysler Corp., Cars	57
Bullfinch, Boston, Durstine & Osborn, Detroit	
Dodge Div., Chrysler Corp., Trucks	95
Bullfinch, Boston, Durstine & Osborn, Detroit	
Drumcliff Company	116
Michael Pata Advertising, New York	
Ebeo Manufacturing Company, The	115
Meldrum & Feeney, Inc., Cleveland	
Equitable Life Assurance Society of the United States	29
Foots, Cone & Beidling, New York	
Extrude Motors, Division of Outboard Marine Corporation	3rd cover
The Cramer-Krasselt Company, Milwaukee	
Executone, Inc.	75
Boxford, Inc., New York	
Firestone Tire & Rubber Company	6
Campbell-Knapp Company, Detroit	
Ford Motor Company, Trucks	4th cover
J. Walter Thompson Company, Detroit	
Fl. Howard Paper Company	99
Clinton E. Frank, Inc., Chicago	
Freiden, Inc.	64
Richard N. Meltzer Advertising, Inc., San Francisco	
General Electric Company, Large Lamp Division	9
Barton, Barton, Durstine & Osborn, Inc., Cleveland	
General Time Corporation, Stromberg-Industrial Controls Div.	80
Birmingham, Castlemen & Pierce, Inc., New York	
General Tire & Rubber Company	15
D'Arcy Advertising Company, New York	
Greenland Studios	128
The Palm Company, Hialeah, Fla.	
Hilton Hotels Corporation	12
McCann-Erickson, Inc., New York	
Idaho State Department of Commerce & Development	80
Givens-Davies Advertising Agency, Inc., Boise	
Inland Steel Products Co.	16
Roegner-Tyler, Inc., Milwaukee	
International Harvester Co., Institutional	22
McCann-Erickson, Inc., Chicago	
International Harvester Co., Motor Truck Division	100
Young & Rubicam, Inc., Chicago	
International Textbook Co., International Correspondence Schools	127
N. W. Ayer & Son, Inc., Philadelphia	
Kaiser Jeep Corporation	112
Compton Advertising, Inc., Toledo	
Kentile, Inc.	2nd cover
Benton & Bowles, Inc., New York	

	Page
Keystone Company of Boston	116
Doremus & Company, Inc., Boston	
Latham Time Recorder Company	11
George & Glaser Advertising, Atlanta	
McBee Systems, Division of Litton Industries	74
West, Weir & Bartel, Inc., New York	
Meilink Steel Safe Company	80
Dieson-Reichert, Inc., Toledo, Ohio	
Minnesota Mining & Manufacturing Co., Background Music	20
MacManus, John & Adams, Inc., St. Paul, Minn.	
Minnesota Mining & Manufacturing Co., Duplicating Products Division	61
MacManus, John & Adams, Inc., St. Paul	
Monroe/Sweda	68
West, Weir & Bartel, Inc., New York	
Moore-McCormack Lines, Inc.	12
J. E. Fallerton, Inc., New York	
Muzak, A Division of Weather Corporation	1
Murphy, Inc., New York	
National Association of Real Estate Boards	14
Doremus & Company, New York	
National Cash Register Co.	55
McCann-Erickson, Inc., New York	
National Truck Leasing System	60
Stevens-Kirkland-Stabelfeldt, Inc., Chicago	
New York Life Insurance Co.	13
Compton Advertising, Inc., New York	
Olivetti Underwood Corporation	76, 77, 103
Ketchum, MacLeod & Groce, Inc., New York	
Pitney-Bowes, Inc.	101, 111
de Garmo, Inc., New York	
Royal Typewriter Co., Division of Litton Industries	93
West, Weir & Bartel, Inc., New York	
SCM Corporation, Office Equipment Division	129
Barton, Barton, Durstine & Osborn, Inc., New York	
Southern Company, The	18, 19
Liller, Neal, Battle & Lindsay, Inc., Atlanta	
Stromberg-Industrial Controls Div., General Time Corporation	80
Birmingham, Castlemen & Pierce, Inc., New York	
SuperScope, Inc.	73
Audio Advertising Associates, San Valley, Calif.	
Tennessee, State of, Industrial Development Division	60
Savage-Stanford-Hamilton & Kerr, Inc., Nashville, Tennessee	
Tremendous Color	17
Ad-Color Advertising, Inc., Hialeah, Fla.	
United States Fidelity & Guaranty Company	65
VanSant, Dugdale & Co., Inc., Baltimore	
Victor Comptometer Corp., Business Machines Group	21
Allen, Anderson, Nisfeld & Puley, Chicago	
Wellington Sears Company	102
Truhey Advertising, Inc., New York	
West Chemical Products, Inc.	97
J. M. Mathes, Inc., New York	
White Truck Division, White Motor Corporation	4, 5
Fuller & Smith & Ross, Inc., Cleveland	
Xerox Corporation	86, 87
Fupert, Koenig, Loos, Inc., New York	

Regional Advertisements

Alabama Planning & Industrial Development Board	56
Ditmars, Demeraville & Gray, Mobile	
American Building Maintenance Co.	30
Cunningham & Walsh, Inc., San Francisco	
Behlen Manufacturing Co., Inc.	54
Robert R. Sanford Advertising, Kansas City, Mo.	
Carolina Power & Light Co.	114
J. T. Howard Advertising Agency, Inc., Raleigh	
Dade County Development Dept.	84
Samuel B. Crispin & Associates, Inc., Miami	
Marine Midland Corporation	63
Barton, Barton, Durstine & Osborn, Inc., New York	
Mississippi Agricultural & Industrial Development Board	106, 107
Godwin Advertising Agency, Jackson, Miss.	
Nation's Business	54
Norfolk-Hill, Ltd.	63
Doherty Advertising Company, Inc., New York	
Pascoe Steel Corporation	30
Boylhart, Lovell & Dean, Inc., Los Angeles	
Utica Mutual Insurance Co.	72
Remmell-Hoyt, Inc., New York	
Varco Steel, Inc.	125
James B. Faulkner & Associates, Pine Bluff, Ark.	

RUNAWAY BOOM

continued from page 43



Dudley Dowell, president, New York Life, urges monetary restraints

hires. The nation's Viet Nam commitment has created some scattered but acute shortages of highly skilled white- and blue-collar workers. A few companies hit hard by these scarcities report they are launching programs to equip high school drop-outs with scarce-supply skills, and others tell of re-engineering their operations to reduce the man-hours involved.

Thirty-eight per cent of the business leaders predict their companies will hire more workers by the end of the year.

Fifty-five per cent expect their number of employees to remain about the same.

Only seven per cent project a decline from the 1965 levels.

In a few instances where employment is viewed as holding even or declining, increased automation is offered as an explanation for the trend.

Moderate increases in labor costs, including fringe benefits, are expected by most businessmen. END



J. Ward Keener, president, B. F. Goodrich Co., questions guideposts



"Some of our best customers have never been face-to-face with a salesman from our company. We sell them by Long Distance."

—says Stanley Messing, General Sales Manager, Minor Rubber Company, Inc., Bloomfield, N. J.

"Our salesmen may see many of our active accounts once or twice a year," says Mr. Messing, "but 1200 of our good accounts are handled entirely by Long Distance."

"And during the past five years, we've been actively expanding our sales of industrial rubber products into new areas—by Long Distance. We've never set foot in most of that territory. Results? Well, in Texas our business grew from \$2665 for all

of 1959 to \$36,000 in the first nine months of 1965, and in Illinois from \$4200 in all of 1959 to \$49,000 in the first nine months of 1965."

Can Long Distance do a similar job for you—increasing sales without increasing your staff? It's easy to find out. Just call your Bell Telephone Business Office and ask that a communications consultant contact you.



Bell System

American Telephone & Telegraph and Associated Companies

Take a new look at Long Distance!

WHAT TAXES WON'T BUY

You and 75 million other U.S. taxpayers this year are paying more taxes than any other people ever paid in any other land.

These taxes are used as the means to almost any end—from the ridiculous to the sublime.

Taxes pay for space capsules and relief checks, for the CIA and HEW, for hydrogen bombs and national parks and many more questionable goods and services, all of which will add up to more than \$140 billion in the next fiscal year.

Yes, taxes can buy just about anything. Anything, that is, except integrity, self-reliance, morality, industry, ingenuity, vision and the courage to take risks—all the things that have built the great private enterprise civilization that is the United States of America.

Nation's Business

•

April 1966

MORE THAN 765,000 SUBSCRIBERS IN BUSINESS AND INDUSTRY

For the man who has everything



but the best fishing boat built

Some fishermen say our Sportsman is the best all around fishing boat ever built. Far be it from us to disagree.

It's a brand new breed of all-purpose boat that's convertible in minutes for all kinds of fun.

Snap on the deck cover and it's a smart run-about. Face a front seat aft and it's a ski boat. Turn the rear seats around and it's a big water fishing boat. Or take the seats ashore for beach partying or camping.

The walk-through folding windshield makes docking or going ashore as easy as stepping

off a curb. And gives you easy access to the foredeck fishing platform. You can play a fish all around the compass from any place in the boat.

We sometimes call it a 16-footer, just because it's 16'-2½" long. That doesn't do it justice. We should call it a *short-18* — because it's an 18-footer in everything except the last two feet of pointed nose (who needs it?).

It has more cockpit space and walk-around room than the roomiest "18's." And it has more flotation, stability and riding comfort.

It's a dry boat on any heading. When a conventional boat hits a wave, it throws spray up. The Gull Wing hull rides the spray. Its spray tunnels turn it down — creating hydraulic lift. The bigger the waves, the greater the shock absorbing lift.

The more you know about boats, the more you'll appreciate what the Sportsman does for fishing.

See the Sportsman at your Evinrude dealer (he's listed in the Yellow Pages). Catalog free. Write Evinrude Motors, 4219 N. 27th St., Milwaukee, Wis. 53216.

EVINRUDE
first in  outboards
DIVISION OF OUTBOARD MARINE CORP.



"Our computers convinced us Ford's new Diesels would cut maintenance costs... that's why we've ordered 409 of them."

... a report by Mr. Benjamin S. Horton,
Administrative Vice-President,
Associated Transport, Inc., New York City, N.Y.

FORD HEAVY DUTY TRUCKS

"Before ordering the latest trucks in our Dieselization program, we made an extensive computer study of our operating costs. We checked our current Fords as well as other makes. This gave us a basis for establishing our bid specifications.

"Ford, using our specifications, had its own computers determine which Ford tractors and trucks

would perform best for us at the least cost. Then, working with our people, Ford examined all cost areas. One thing they confirmed was that direct rather than over-drive transmissions would reduce maintenance costs considerably—with the same fuel economy. Their computers showed that improvements made over the past three years in the N-Series tractor, for

example, also would cut maintenance costs.

"Well-documented evidence of lower lifetime costs convinced us we should choose 409 Ford Diesels—197 linehaul tractors, 80 short-haul tractors, and 132 P&D trucks. In total, we've ordered 528 Ford Trucks in the last 12 months."

